

FBIS**DAILY REPORT
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BEIJING RADIO ON RESULTS OF SHULTZ-GROMYKO TALKS

OW120117 Beijing Domestic Service in Mandarin 1150 GMT 11 Jan 85

[From the "International Current Events" program: "Geneva Meeting Opens Prelude to New Round of U.S.-Soviet Nuclear Negotiations"]

[Text] The U.S. and Soviet foreign ministers met on 7 and 8 January in Geneva. After four sessions and over 10 hours of serious talks, the two sides issued a joint statement announcing that the United States and the Soviet Union had agreed to resume their arms control negotiations and had agreed on the subjects, goals, and scope of the negotiations. This has opened a prelude to a new round of U.S.-Soviet nuclear negotiations.

The change made by the United States and the Soviet Union -- two big nuclear powers -- from serious confrontation and unlimited escalation of the nuclear arms race to agreement on holding dialogue and resuming nuclear arms control negotiations is a matter which, to a certain extent, accords with the aspirations of the world people for disarmament and detente. Hence, the results of the Geneva talks have been described as applaudable.

Since the United States and the Soviet Union suspended their negotiations on medium-range nuclear arms at the end of 1983, these two big nuclear powers have carried out an unprecedentedly serious nuclear arms expansion race focusing on the development of medium-range missiles. In the past year, several hundred more medium-range nuclear missiles were deployed in Europe by the United States and the Soviet Union, including Soviet SS-20 medium-range missiles and U.S. Pershing 2 and cruise missiles. As a result, the nuclear confrontation between the two big military blocs in Europe became further aggravated. In the meantime, the United States and the Soviet Union made further efforts to extend their nuclear race into outer space.

The continuous escalation of nuclear arms expansion of the United States and the Soviet Union led to deep concern and strong opposition among the people of Europe and all other parts of the world. Moreover, the escalation of their nuclear arms expansion also increased their own political and economic difficulties. The disarmament voice they heard at home and abroad became louder and louder. It was under such circumstances that the United States and the Soviet Union adjusted their attitudes and changed their strategies to meet their respective needs. The Soviet Union no longer insisted that the United States dismantle its newly deployed medium-range missiles as a precondition for resuming the negotiations. The United States, on the other hand, took a flexible attitude on the scope for negotiations. This eventually resulted in the meeting between the two foreign ministers, ending the deadlock of no contact between high-ranking U.S. and Soviet leaders.

The results of the Geneva meeting are not beyond expectation. Prior to the meeting, the two sides had a conspicuous argument over the focal point of the negotiations. In view of the reality that its outer space arms technology was a little behind that of the United States, the Soviet Union stressed that the negotiations should focus on limiting outer space arms so as to weaken the U.S. superiority. The United States took into consideration the fact that its strategic and medium-range missiles were fewer than those of the Soviet Union and stressed that the emphasis of the negotiations should be placed on offensive weapons so as to weaken the Soviet superiority in this regard. The difference in viewpoint indicated that each had its own plan. However, through the talks held between their foreign ministers, both sides made compromises. As stated in the joint statement issued after the meeting, the two sides agreed that the negotiations should cover a series of questions, including outer space weapons as well as strategic and medium-range nuclear arms, and all these questions should be considered and resolved on the basis of their inherent relations. This package approach is a step forward in opening a new round of U.S.-Soviet nuclear negotiations.

The U.S.-Soviet arms race has a long history. The negotiations to limit nuclear arms involve various complicated questions. For this reason, world public opinion and even the United States and the Soviet Union themselves are not highly optimistic about the prospects of the negotiations in the future. In an interview with reporters after the Geneva meeting, U.S. Secretary of State Shultz said that his talks with Gromyko were frank, businesslike, and useful. However, he cautioned that the talks were only an important starting point, and that severe differences still remained between the United States and the Soviet Union. The Information Department of the Soviet Ministry of Foreign Affairs also said that the 2-day talks between the Soviet and U.S. foreign ministers were important and useful but that they only represented a starting point.

The United States and the Soviet Union have already held numerous rounds of nuclear disarmament negotiations. Historical experience shows that nuclear negotiations have often been a way for the two big nuclear powers to hoodwink world public opinion, blame each other for arms expansion, and restrict the other side while preserving their own superiority. Today, when the nuclear threat is more serious than ever before and when the voice of the world people, including the American and Soviet people, for peace and against the nuclear race is becoming louder and louder, the United States and the Soviet Union will meet with even stronger condemnation and opposition if they continue to use the negotiations to cover up their nuclear arms expansion in defiance of the strong wish of people across the world.

RENMIN RIBAO ON U.S. 'BIRDS OF PREY' IN BHOPAL

HK110605 Beijing RENMIN RIBAO in Chinese 9 Jan 85 p 6

["Jottings" by Chen Feng: "'Goodwill' of Birds of Prey"]

[Text] I once saw a painting of an ancient battlefield on which a bloody battle had just finished: The field was littered with corpses, the soil was soaked with blood, the wind was moaning dismally, and the setting sun left the scene most faint. A few vultures were hovering in the sullen sky, using their sharp eyes to select dead bodies to rip and eat. The painting would send cold shivers down the spine of anyone who saw it.

A similarly terrifying scene appeared in the 1980's in India's Bhopal City. That was not a battleground, but a manmade disaster caused by the leakage of poisonous gas from a plant run by an American company -- Union Carbide. More than 2,500 dead bodies were cremated or buried heap by heap. About 50,000 people were blinded by the noxious gas, and some 100,000 people are still being plagued by diseases caused by gas poisoning. Hospitals and makeshift first-aid stations were full of victims who were struggling on the brink of death. Even to this day, deaths are still occurring among the people who suffered from poisoning. Also making an appearance are a group of quick-sighted, well-informed, and intelligent American lawyers who have flown to India. They appear to be bemoaning the evils of the times and pitying the fate of the people, claiming that they will undertake an unprecedented lawsuit for the thousands of innocent Indian victims.

Do they really have such a strong sense of justice and such a chivalrous spirit? Reportedly, the Indian Government has claimed \$15 billion damages from the American company for the disastrous accident. However, the "good-hearted" lawyers from Washington, Chicago, San Francisco, and Los Angeles have said that this amount is too small and would let the accused off too lightly. They declared that they would "do justice to and win money for those pitiable people." For example, two lawyers from California have entered suit in a New York court on behalf of the Indian victims, claiming \$20 billion damages. John Curre, a lawyer from New York, has begun accepting registration of clients in Bhopal. He expects to represent 20,000 plaintiffs in court.

These "enthusiastic and sympathetic" American lawyers unanimously hold that the lawsuit should be filed in an American court although the horrible poisoning case occurred in India, because the court will rule on the damages according to the American standards, and this means that the amount could be very large. It is even possible that the court may require the accused to pay the victims a huge amount of punitive damages. According to American laws, if the victims win the lawsuit, the lawyers may collect a fee which amounts to one-third of the total damages recovered. It is precisely this exorbitant profit that attracts these vultures to Bhopal.

If the case is handled by an Indian court, the "enthusiasm" of the American lawyers may immediately die down. This is because the damages will be calculated according to the victims' living costs as prescribed by the Indian law. The wages and living costs of the Indian people are rather low, and the damages that each person may recover will not be more than \$6,000. More important, the Indian law does not provide that the lawyers may gain a portion of the damages recovered by victims. A nonproffittaking action for upholding justice does not make any sense to the American lawyers.

It is said that the Indian Government has expressed its gratitude to the American lawyers for their "kindness" and has graciously declined their offers to represent the plaintiffs in court, because India has no lack of legal experts. It is also the Indian Government that decides where the lawsuit should be handled. It seems that the American lawyers' smug calculations will be totally upset. Maybe, they will rail against the Indians for not appreciating their goodwill.

Nevertheless, people may ask such questions as: Are people who try to make a profit from other people's misfortune and miseries really good-hearted or blackhearted? U.S. NEWS AND WORLD REPORT has given a good answer to this question by carrying a cartoon showing a group of American lawyers dressed in black hovering over Bhopal City like vultures searching for rotten corpses. The drawing is entitled "Birds of Prey."

WORLD BANK PRESIDENT PRAISES PRC IN POVERTY FIGHT

OW121113 Beijing XINHUA in English 0636 GMT 12 Jan 85

[Text] Washington, January 11 (XINHUA) -- World Bank President A.W. Clausen today said that although world poverty has gone from bad to worse because of recession and natural disasters, it can and must be solved now.

In a speech at the Martin Luther King Center in Atlanta, Georgia, Clausen said the situation is most bleak in sub-Saharan Africa and "in nearly all the nations of Africa, one-half to three-fourths of the population subsists in absolute poverty."

Clausen noted that in Gambia over half of all rural children die by age 5. In Guinea-Bissau, almost the entire population suffers from malaria and diarrhea, he said. Even in Nigeria, where per capita income is the highest in sub-Saharan Africa, over a third of urban families and over half of rural families are unable get enough food, according to Clausen. He also said, "poverty has become more severe and widespread throughout Latin America and the Caribbean, and that prospects are grim in countries that can't settle on reasonable programs of adjustment."

Calling for a solution, he stressed that the problem is manageable through sound domestic policy, sufficient aid from the industrial countries and more assistance from the World Bank and other development agencies.

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Clausen cited progress in China, India, Pakistan and some Mediterranean countries as good examples of what can be done to counter poverty.

CHINA DAILY ON NEW ERA OF UNOFFICIAL DIPLOMACY

HK110515 Beijing CHINA DAILY in English 11 Jan 85 p 3

[By staff reporter Yan Ling]

[Text] A new era of unofficial diplomacy should be initiated, Zhang Zhixiang, vice-president of the Chinese Association for International Understanding (CAIU), said yesterday.

Great opportunities lie ahead for further development of unofficial diplomacy that could help maintain world peace and contribute to the country's modernization drive, he said. People-to-people contacts will help promote understanding and friendship among peace-loving people everywhere, he said.

Zhang's remarks were made at the opening of the association's third council meeting in Beijing. The meeting, attended by more than 120 council members, will end today.

Zhang also announced that China would hold a small international forum on safeguarding world peace early next June in Beijing. About 50 people in foreign peace-loving organizations that have ties with his association would be invited, in addition to Chinese people from all walks of life, he said. Participants will be free to express their views, but the forum will not adopt any resolutions.

The vice-president pledged to further strengthen friendly ties with peace-loving political parties, organizations and individuals. "We will enhance our friendly ties and co-operation with the Third World countries in particular," he said. He said China maintains good-neighbourly relations with India, Pakistan, Bangladesh, Burma, Nepal, Thailand and the Philippines, based on the Five Principles of Peaceful Co-Existence.

CAIU was founded in 1981. Its main objective is to maintain world peace. So far, it has established ties with political parties, organizations and individuals in nearly 50 countries.

Last December, Premier Zhao Ziyang also stressed that people-to-people friendship was an eternal factor in promoting good relations between different countries.

OVERSEAS CHINESE AFFAIRS OFFICIAL APPOINTED

HK110920 Beijing ZHONGGUO XINWEN SHE in Chinese 0816 GMT 11 Jan 85

[Report: "Lin Shuilong [2651 3055 7893] Is Appointed Deputy Director of the Overseas Chinese Affairs Office Under the State Council"]

[Text] Beijing, 11 Jan (ZHONGGUO XINWEN SHE) -- Lin Shuilong, a returned Overseas Chinese from Indonesia, has recently been appointed deputy director of the Overseas Affairs Office under the State Council.

Lin Shuilong, aged 53, returned to China from Indonesia in 1952. He once worked in the Overseas Chinese Affairs Commission, the Chinese Embassy in Indonesia, and the Chinese Embassy in the Philippines. Before taking the new post, he was deputy secretary general of the Overseas Chinese Affairs Office under the State Council.

JOINT CHIEFS VESSEY BEGINS VISIT, HOLDS TALKS

Beijing Arrival

OW120726 Beijing XINHUA in English 0655 GMT 12 Jan 85

["U.S. Armed Forces Chief Arrives in Beijing" -- XINHUA headline]

[Text] Beijing, January 12 (XINHUA) -- General John Vessey, chairman of the U.S. Joint Chiefs of Staff, and Mrs. Vessey flew in here this morning for a week-long official visit to China as guests of the Chinese Ministry of National Defense. They were met at the airport by Yu Jianzhong, deputy director of Foreign Relations Bureau of the Chinese Defense Ministry, and Zhang Wutang, defense attache of the Chinese Embassy in Washington. U.S. Ambassador to China Arthur Hummel was also present.

A welcoming ceremony will be held in the afternoon, to be followed by talks with Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army. General and Mrs. Vessey will attend a dinner in the evening. While in Beijing, General Vessey is expected to meet Chinese leaders. His itinerary in China will take him to north-eastern, eastern and southern parts of the country.

Vessey, Yang Hold Talks

OW121152 Beijing XINHUA in English 1126 GMT 12 Jan 85

[Text] Beijing, January 12 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, and John W. Vessey, chairman of Joint Chiefs of Staff of the United States, held talks here today. It was learned that during the talks which lasted for one hour and a half, the two sides briefed each other on their respective views regarding current international situation and exchanged opinions on matters of common concern.

Among those taking part in the talks on the U.S. side was Adm. William J. Crowe, commander-in-chief of the Pacific Command; and on the Chinese side, Zhang Zhen, deputy chief of the P.L.A. General Staff. The talks are expected to continue tomorrow.

Banquet Held

OW121556 Beijing XINHUA in English 1541 GMT 12 Jan 85

[Text] Beijing, January 12 (XINHUA) -- Chinese and U.S. Armed Forces chiefs agreed here today that sound relations between China and the U.S. and their Armed Forces served the interests of the two countries and contributed to peace and stability in Asia and the rest of the world. Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, and General John W. Vessey, chairman of the Joint Chiefs of Staff of the United States, made this point at a banquet hosted by Yang for General and Mrs. Vessey.

Vessey, the first U.S. Armed Forces chief to visit China, arrived here this morning for an official visit at Yang's invitation. Vessey's party is the first senior U.S. military mission to China since the visits of Secretary of Defense Caspar Weinberger and Navy Secretary John Lehman.

Yang said in his toast that relations between the two countries had developed in various fields since the establishment of Sino-U.S. diplomatic relations six years ago. He said that the two Armed Forces had also conducted professional contacts in addition to the exchange of visits by Chinese and U.S. defense leaders.

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UNITED STATES

However, Yang said, there were still difficulties and obstacles in the way of development of the Sino-U.S. relations, which should be treated seriously. "We believe that so long as we both abide by the principles set in the Sino-U.S. joint communiques and work seriously and in a down-to-earth manner to solve specific problems, we'll be able to gradually overcome these difficulties and eliminate these obstacles so that Sino-U.S. relations can develop along a sound track and thereby promote the growth of relations between the two Armed Forces," he said.

Vessey said that friendly relations had developed satisfactorily through the exchange of visits by leaders of the two Armed Forces in the last two years. "We look forward to even more contacts of this type," he added. "We look forward to our discussions here in Beijing and to opportunities to learn more about your Armed Forces in our visits with your soldiers, sailors and airmen."

Yang and Vessey agreed that their talks which started this afternoon, would help build mutual understanding between the two Armed Forces.

The Chinese Ministry of National Defense held a ceremony here this afternoon to welcome General Vessey, who reviewed a three-service honor guard of the P.L.A. in the company of Yang Dezhi.

[Beijing XINHUA Domestic Service in Chinese at 1630 GMT on 12 January transmits a similar report supplying the following additional names of those who attended the banquet Yang Dezhi gave for General Vessey: "Zhang Zhen, deputy chief of General Staff of the Chinese PLA; Zhu Qizhen, vice minister of foreign affairs; and responsible persons of the Navy, the Air Force, and the Beijing Military Region attended the banquet. Also invited to the banquet were Admiral William Crowe, commander-in-chief of the U.S. Pacific Command, who accompanied General Vessey on the visit, and Arthur Hummel, U.S. ambassador to China."]

Zhang Aiping Holds 'Friendly Talks'

OW131306 Beijing XINHUA in English 1254 GMT 13 Jan 85

[Text] Beijing, January 13 (XINHUA) -- Chinese Minister of National Defense Zhang Aiping met and had a friendly talk with General John W. Vessey, chairman of Joint Chiefs of Staff of the United States, and Mrs. Vessey here this evening. The meeting was followed by a dinner given by Zhang Aiping for the U.S. visitors.

Present at the meeting and the dinner were Zhang Zhen, deputy chief of General Staff; and Liu Huaqing, commander of the Navy of the Chinese People's Liberation Army.

In the afternoon, P.L.A. Chief of General Staff Yang Dezhi and Vessey held the second round of talks during which, it was learned, the two sides focused on the topic of furthering friendly contacts between the Armed Forces of the two countries. General and Mrs. Vessey visited the Great Wall earlier today.

KISSINGER DISCUSSES FUTURE OF HONG KONG

OW121640 Beijing XINHUA in English 1627 GMT 12 Jan 85

[Text] Hong Kong, January 12 (XINHUA) -- Former U.S. State Secretary Henry Kissinger said here today that he found the people of Hong Kong had more confidence in the future than a year ago. Local people were worried about their future when he was here in 1983, he said.

Speaking to journalists here, Dr. Kissinger said the source of confidence of the people here was the joint Sino-British declaration on Hong Kong and the economic reform and achievements of modernization in China.

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UNITED STATES

Kissinger visited Wang Guangying, chairman of the Everbright Industrial Corporation here, this morning. During a two-hour-meeting, sources said, they exchanged views about China's modernization program, Hong Kong's economy and Sino-U.S. economic relations and trade.

Sources quoted Kissinger as saying to Wang that the American people had been closely following the economic growth in Hong Kong and the mainland of China. The American people wanted to strengthen economic exchange and trade with Hong Kong and the interior of China, Kissinger was reported to have said.

Kissinger was here as a director of the American Press which is now ready for a comprehensive expansion in China. Hong Kong is the regional headquarters of that international corporation. He said at an earlier reception that the Sino-British agreement on Hong Kong was good for two reasons: it removes uncertainty and is in the best interests of all parties.

He said he knew from his experience that the Chinese always kept to their agreements. Kissinger left for Singapore this afternoon at the end of a four-day visit to Hong Kong.

Xu Jiataun, Kissinger Meet

HK111148 Beijing XINHUA Hong Kong Service in Mandarin 1054 GMT 11 Jan 85

[Text] Hong Kong, 11 Jan (XINHUA) -- Xu Jiataun, director of XINHUA Hong Kong branch, had a meeting this afternoon with Kissinger, visiting former U.S. secretary of state. They had a 40-minute talk on the economy of China and Hong Kong, and trade between the United States and Hong Kong.

Xu Jiataun told Kissinger: "I am very pleased to meet you. You are an old friend of China."

Kissinger said: "I miss China very much, and have been following its development." He hoped that he can visit China again by the end of this year.

Also present at the meeting was Li Chuwen, deputy director of XINHUA Hong Kong branch.

GROMYKO ON GENEVA TALKS' POSITIVE RESULTS

OW131933 Beijing XINHUA in English 1922 GMT 13 Jan 85

[Text] Moscow, January 13 (XINHUA) -- Soviet Foreign Minister Andrey Gromyko said here today that his country regards the results of the Soviet-U.S. Geneva talks last week as positive.

Gromyko said in a television interview that the problem of space weapons was the central issue during his talks with U.S. Secretary of State George Shultz on January 7 and 8. U.S. negotiators put "great pressure" on the Soviet side not to discuss the issue, holding that an arms race can be carried out freely in the space, he said. But the Soviet Union regarded the U.S. position as "entirely unacceptable," Gromyko said, and the two sides eventually agreed that the problem of space weapons can and should be discussed.

The Soviet foreign minister said Shultz sent him a letter after the Geneva talks, saying "the Government of the United States intends to carry out what was agreed upon in Geneva and it will keep the commitments assumed under that understanding earnestly."

Asked about the differences between the Soviet Union and the United States on the issue of space weapons, Gromyko said the U.S. position was that the coming arms control talks should center on the questions of strategic nuclear weapons and medium-range Euromissiles on the earth and put aside that of space weapons. The Soviet side resolutely opposed such a stand and expounded straightforwardly the consistent Soviet position that space weapons cannot be excluded from disarmament negotiations, he said.

"The viewpoint that prevailed was the viewpoint that it is impossible to consider either the question of strategic arms or intermediate-range nuclear arms without considering the problem of outer space -- to be more exact, the question of preventing an arms race in space. The American side eventually agreed to accept this," Gromyko said.

Further on Gromyko interview

OW140344 Beijing XINHUA in English 0305 GMT 14 Jan 85

[Text] Moscow, January 13 (XINHUA) -- If no progress is made on the space problem, it would be superfluous to talk about the possibility of reducing strategic armaments, Soviet Foreign Minister Andrey Gromyko said in a television interview here today. Gromyko warned that if the United States took the way of violating the agreement reached the talks would be torpedoed. He said that the U.S. build-up of an anti-missile system is aimed at threatening the Soviet Union. But it will never succeed, because "we have colossal resources, both material and intellectual, sufficient resources to ensure our security."

Gromyko made it clear that the Soviet Union opposed the continued U.S. deployment of medium-range missiles in Western Europe. He said that if the U.S. side continued to do so, the value of the new talks agreed upon by both sides would be called into question. He said that it was difficult to predict the prospects of the Soviet-U.S. talks at present, but the Soviet Union would attend the talks in a "businesslike and serious" manner.

Gromyko expressed dissatisfaction with the implementation of the dozens of bilateral accords that have been reached between the two countries. He said that Soviet-U.S. relations would be greatly improved if the two countries could reach agreement on nuclear weapons and on the principles of equality and equal security in their talks.

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PRAVDA CITED ON GENEVA TALKS, TIES WITH U.S.

OW131448 Beijing XINHUA in English 1431 GMT 13 Jan 85

["PRAVDA: Geneva Talks 'A Certain Step Forward' in Establishing Soviet-U.S. Dialogue" -- XINHUA headline]

[Text] Moscow, January 13 (XINHUA) -- Moscow said today that "a certain step forward has been made in establishing dialogue between the USSR and the United States on the most urgent problems of the present time," but "it will not be easy to realize these tasks" because of the stance taken by the United States and NATO.

Commenting on the January 7-8 Geneva talks between Soviet Foreign Minister Andrei Gromyko and U.S. Secretary of State George Shultz, the leading Soviet newspaper PRAVDA said the Soviets at the meeting "stood for working out fundamental guidelines aiming for the achievement of mutually acceptable accords."

The Soviet delegation called for special attention to the need to prevent militarization of outer space, of which the significance is evident, the Soviet Communist Party daily said.

"Militarization of the near-earth space, if a reliable barrier is not put up in its way, will cancel everything that (the sides) have managed to achieve in the arms limitation field, spur the arms race along other lines and dramatically heighten the threat of nuclear war," it said.

The newspaper said, quoting "the opinion of experts," that it is "very important that the USSR and the USA agreed to consider and resolve questions concerning space and nuclear weapons in their interrelationship."

The negotiations will be conducted by a delegation from each side divided into three groups -- on space, strategic arms and intermediate-range nuclear means, the newspaper said.

"Such a comprehensive approach is dictated by the need of urgent and effective measures with a view to heading off a further destabilization of the strategic situation and preventing new spirals of the arms race," the newspaper said.

During the two-day Geneva meeting Shultz and Gromyko announced that they have reached a compromise agreement on negotiations on limiting and reducing nuclear arms and on "preventing an arms race in space."

The Soviets walked out of the Soviet-U.S. disarmament talks by the end of 1983 after the arrival of new U.S. missiles in Western Europe. Moreover, they have taken counter-measures including deploying tactical missiles in Eastern Europe and sea-based missiles targeted at the U.S. proper.

RED STAR, the Soviet Army newspaper, also carried a commentary today airing similar views as the PRAVDA on the Geneva talks.

RADIO VIEWS SITUATION ON KOREAN PENINSULA

SK131222 Beijing International Service in Korean 1100 GMT 12 Jan 85

[Unattributed talk]

[Text] Last year, the Korean Government took many active measures to reduce tensions on the Korean peninsula. On 10 January last year, the Central People's Committee and the Supreme People's Assembly of Korea put forth a proposal for holding tripartite talks with the United States, and the South Korean side. In September, the Korean Government opened the door to contacts and dialogue by deciding to send relief goods to the South Korean flood victims, thereby realizing the South-North economic talks and the Red Cross talks.

On the first day of the new year, in his New Year's address, President Kim Il-song said: Although no tangible result has been achieved with regard to our proposal for tripartite talks advanced last year, we will, with patience, make continued and consistent efforts to realize the tripartite talks.

President Kim Il-song also said: It is necessary to adopt a nonaggression declaration between the North and the South by realizing the tripartite talks, thereby providing an appropriate condition and milieu in which the arms race and the situation of military confrontation between the North and the South can be ended and in which the fatherland can be reunified peacefully.

Such a reasonable and realistic call of the Korean Government has enjoyed warm welcome and support from all Korean people and the world's peoples. Under these circumstances, the South Korean side, too, moved in a corresponding direction. Thus, the two sides agreed to hold the second South-North economic talks at Panmunjom on 17 January this year and the eighth round of the meeting of the North-South Red Cross Societies in Seoul on 23 January. But, under the circumstances in which contacts between the South and the North have been restored and a new hope for the fatherland's reunification is being harbored by people, the United States and the South Korean authorities have declared that they will stage the so-called "Team Spirit-85" joint military exercise, with the participation of 200,000 personnel, in South Korea from 1 February to mid-April this year.

Needless to say, such an act has cast a gloom over the reduction of tensions on the Korean peninsula and laid an obstacle to the contacts and dialogue between the North and the South of Korea. Thus, on 9 January, Kim Hwan, vice premier of Korea's State Administration Council, said to Sin Pyong-hyon, minister of the Planning Ministry [as heard] of South Korea, on January: At a time when the second South-North economic talks will be held at Panmunjom on 17 January, the South Korean authorities' decision to stage "Team Spirit-85" joint military exercise together with the United States cannot but serve as an obstacle to the economic talks.

That day, Son Song-pil, chairman of the Red Cross Society Central Committee of the Northern side of Korea, also sent a telephone message to Yu Chang-sun, president of the South Korean Red Cross Society, proposing the holding of the eighth round of the official meeting [as heard] of the Red Cross Societies of the North and the South, scheduled to be held in Seoul on 23 January, after the "Team Spirit-85" joint military exercise ends.

In order to continuously maintain the North-South dialogue, the United States and South Korea should genuinely alleviate the situation on the Korean peninsula by immediately calling off [chwisŏ] this military exercise, while (?listening to) the opinions of the North side, as well as taking active measures. The Korean question should be solved by the Korean people themselves. The United States should help end the unfortunate situation of long-standing division of North and South Korea at the earliest possible date by withdrawing all their troops from South Korea and supporting the achievement of peaceful reunification of Korea through negotiations [tampan]. This is profitable not only for the peace and stability of the Korean peninsula but also for the peace of Asia the Pacific region, and the world.

Call Off 'Team Spirit-85'

SK120052 Beijing International Service in Korean 1100 GMT 11 Jan 85

[Talk by unidentified commentator on "Activities Heightening Tension on the Korean Peninsula"]

[Text] The United States and the South Korean authorities recently declared that they will stage the "Team Spirit-85" joint military exercise in South Korea from 1 February to late April [as heard], mobilizing 200,000 military troops. This runs counter to the aspirations of the people in the North and the South of Korea and the people of the world, and will only heighten tension on the Korean peninsula.

As the world knows, last year an atmosphere of detente prevailed on the Korean peninsula, which pleased people. The North and the South of Korea held vice minister-level economic talks for the first time in 39 years, since the division of the country. At the talks, both sides presented detailed views on economic exchange and collaboration. There were many common points between the two sides on the principle of some (?over-tures) and actual acts.

Taking advantage of the good opportunity prevailing in the wake of the economic talks, the Red Cross Societies of the North and the South held a preliminary meeting. Both sides reached an agreement in principle on matters related to the North-South Red Cross talks, which have been suspended for 11 years. Later, an unexpected shooting incident took place in Panmunjom. However, through mutual efforts, both sides came to an agreement to hold in Panmunjom the second North-South economic talks on 17 January and the eighth North-South Red Cross plenary meeting in late January.

In his new year's address, President Kim Il-song expressed his hope for the development of North-South dialogue into high-level political talks. At this very time, the United States and the South Korean authorities declared their plan for a large-scale military exercise and created a tense atmosphere, thereby creating obstacles to contact and dialogue between the North and the South of Korea.

On 7 January, President Kim Il-song of the DPRK said that if the United States and the South Korean authorities are really interested in the alleviation of tension on the Korean peninsula and its peaceful reunification, they should prudently consider the "Team Spirit-85" joint military exercise and call it off [chwisŏ]. His address reflects the sincere desire of the Korean people for the alleviation of the tense situation on the Korean peninsula.

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CHEN MUHUA AT DPRK-PRC PROTOCOL EXCHANGE SIGNING

OW121832 Beijing XINHUA in English 0840 GMT 12 Jan 85

[Text] Beijing, January 12 (XINHUA) -- A protocol on the exchange of goods for 1985 between the People's Republic of China and the Democratic People's Republic of Korea was signed here today. Chen Jie, deputy to the Chinese Minister of Foreign Economic Relations and Trade, and Cho Song-pom, Korean vice-minister of foreign trade, signed the document on behalf of their respective governments. Chen Muhua, state councillor and minister of foreign economic relations and trade, and Sin In-ha, Korean ambassador to China, were present at the signing ceremony.

DPRK GOVERNMENT ECONOMIC DELEGATION IN PRC

SK140256 Beijing International Service in Korean 1100 GMT 13 Jan 85

[Text] At the invitation of the government of our country, a DPRK Government economic delegation headed by Kong Chin-tae, vice premier of the DPRK State Administration Council, arrived in Beijing by train on the morning of 13 January. Tian Jiyun, vice premier of the State Council; Zhao Weichen, vice minister of the State Economic Commission; Chen Jie, delegate to ministers at the Ministry of Foreign Economic Relations and Trade, welcomed the Korean comrades at the railway station. Comrade Sin In-ha, DPRK ambassador to the PRC, also met the delegation at the railway station.

Tian Jiyun Fetes Delegation

OW131622 Beijing XINHUA in English 1604 GMT 13 Jan 85

[Text] Beijing, January 13 (XINHUA) -- Chinese Vice-Premier Tian Jiyun gave a banquet for a government economic delegation from the Democratic People's Republic of Korea led by its Vice-Premier Kong Chin-tae here this evening. In their speeches the two vice-premiers reviewed the new growth of friendly relations between China and Korea in the past year. They agreed that mutual visits of General Secretaries Hu Yaobang and Kim Il song had pushed the friendly relations between the two countries and traditional friendship between the two peoples to a new high.

Tian said that China and Korea enjoyed very good relations in the economic and trade fields, characterized by mutual support and close cooperation. He said new progress was made in these fields thanks to the attention of the leaders of both countries. He expressed the belief that the current visit of the Korean delegation would help promote bilateral economic and trade relations.

Kong said that it was a consistent policy of the Korean party and government to consolidate Korean-Chinese friendship and develop it from generation to generation. "We will, as always, try our best to strengthen and expand this friendship."

Among those present at the banquet were Liu Shuqing, Chinese vice-foreign minister; Zhao Weichen, vice-minister of the State Economic Commission; Chen Jie, deputy to the Minister of Foreign Economic Relations and Trade; and Sin In-ha, Korean Ambassador to China. Upon its arrival here this morning at the invitation of the Chinese Government, the Korean delegation was met by Tian Jiyun at the railway station.

NAKASONE, ABE LEAVE JAPAN ON PACIFIC TOUR

OW131651 Beijing XINHUA in English 1559 GMT 13 Jan 85

[Text] Tokyo, January 13 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone left here today for visits to Fiji, Papua New Guinea, Australia and New Zealand. This is the first trip to the region in five years made by a Japanese prime minister. Nakasone's visits are designed to strengthen Japan's partnership with Australia and New Zealand, and its relationship of friendly cooperation with Fiji and Papua New Guinea, Japanese Foreign Ministry sources said.

Nakasone is reportedly to discuss with leaders of the host countries matters of common concern including cooperation in the Pacific region, nuclear disarmament, and other multi-lateral and bilateral issues, to bring to full play the Japanese role in international affairs.

Speaking at a press conference before departure, Nakasone said Japan deemed it necessary to maintain a minimum defense force and he would try to seek understanding of the Japanese policy from the four countries.

The Japanese prime minister termed the Pacific region as one with the greatest vitality in the world economy today and said that it is a trend of history to strengthen regional cooperation in culture, economy and technology. The cooperation should be promoted mainly through non-governmental channels, he said.

Turning to the planned Japanese dumping of nuclear waste into the sea, Nakasone said Japan will not arbitrarily do this ignoring the worries and objections of Oceanic nations.

Nakasone is scheduled to return to Tokyo on January 20. Foreign Minister Shintaro Abe is accompanying him on the trip.

WU XUEQIAN SUPPORTS THAI IN BORDER STRUGGLE

OW111137 Beijing XINHUA in English 1114 GMT 11 Jan 85

["Wu Xueqian Says: China Is Concerned About Thai-Kampuchean Border Situation" -- XINHUA headline]

[Text] Beijing, January 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian stated here today that the Chinese government firmly supported the Thai people in their just struggle in resisting aggression and safeguarding territorial sovereignty. We said this during a meeting with Thai Ambassador to China Orachun Tanaphong. The ambassador informed the Chinese foreign minister of the recent situation on the Thai-Kampuchean border.

Wu Xueqian said China was concerned about the fact that the Vietnamese aggressor troops in Kampuchea had recently launched attacks along the Thai-Kampuchea border, thus creating tension there, and had intruded into Thailand at their will.

PRC FIGHTER BUILD-UP REPORTED ON VIETNAM BORDER

HK140628 Hong Kong AFP in English 0558 GMT 14 Jan 85

[Text] Tokyo, Jan 14 (AFP) -- China recently deployed another 400 fighter planes near its southern border with Vietnam following a stepped up Soviet air presence in that country, a popular Tokyo daily reported here today. The daily SANKEI SHIMBUN in a front page story quoted military sources here as saying that the planes were deployed in the Chinese military districts of Guangzhou and Kunming to check a possible Vietnamese attack during the current dry season which ends in April. But the sources dismissed the possibility of a large-scale Chinese Air Force attack against Vietnamese troops stationed along the border.

The 400-plane reinforcement brought Chinese air strength in the area to about 1,000 planes, including the latest model F-7 and F-8 fighters, the daily said.

The sources speculated that the Chinese planes' deployment within 400 kilometers (248 miles) of the border was aimed mainly at countering the Soviet Union's stepped up air presence in Vietnam, the main Soviet ally in Asia.

The daily said the Soviet Union last year sent 14 MIG-23 fighter planes to Vietnam, while increasing the number of its TU-16 Badger bombers there from nine to 16 and doubling its TU-95 Bear bomber force from four to eight planes.

A spokesman for the Japanese Defense Agency refused to confirm the SANKEI report, saying the agency had no knowledge of the Chinese Air Force deployment in southern China.

FURTHER REPORTAGE ON ACTION IN CAMBODIASon Sann Comments on Battle

OW111906 Beijing XINHUA in English 1847 GMT 11 Jan 85

["Son Sann on Battle in Kampuchea (by Yang Mu)" -- XINHUA headline]

[Text] Nong Chan, Democratic Kampuchea, January 11 (XINHUA) -- Prime Minister of the Democratic Kampuchean Coalition Government Son Sann appealed here this afternoon peace- and freedom-loving countries to denounce Vietnam's inhumane slaughter of the Kampuchean people. He demanded more humanitarian aid to the Kampuchean refugees. He urged the world community to force the Vietnamese to abide by the basic principles of the United Nations -- non-violation of the human rights and no invasion of other countries' territories.

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This is the first appearance of Son Sann, who is also president of the Khmer People's National Liberation Front (KPNLF), before the press in the current dry-season fighting.

A KPNLF high officer told XINHUA that Son Sann has been together with his soldiers and people in the Kampuchean territory since the Vietnamese started the current dry-season offensives.

Son Sann said the Vietnamese large-scale attack on the KPNLF headquarters Ampil camp started from the afternoon of January 6 and reached its climax the next morning. Some 10,000 shells showered the camp. Overpowering the resistance fighters in gunfire, the Vietnamese destroyed straw huts and army camps. The KPNLF men had to retreat. Braving storming bullets and shells, the resistance soldiers damaged or destroyed six Vietnamese tanks and inflicted heavy casualties on the intruders, he said.

Attention must be paid to the fact that, Son Sann emphasized, the KPNLF armed forces had slight loss in their effective strength in comparison with that of the Vietnamese. "Now, the KPNLF soldiers have been regrouped into small groups and are engaging in guerrilla warfare along the Kampuchean-Thai border. We are not hurry to recover the lost camps, because it is easy to rebuild them. What is more important is to wipe out more enemy and enlarge our army." he stated.

Replying to a question by XINHUA, Son Sann said that the KPNLF guerrilla's morale was high. One third of the KPNLF armed forces was sent deep into the interior to combat the aggressors.

Battambang, Pursat Operations

OW120937 Beijing XINHUA in English 0645 GMT 12 Jan 85

["Democratic Kampuchean Forces Frustrate Vietnamese Mopping-Ups" -- XINHUA headline]

[Text] Beijing, January 12 (XINHUA) -- The National Army and guerrillas of Democratic Kampuchea frustrated three Vietnamese mopping-up operations in the provinces of Pursat and Battambang earlier this month, Radio Democratic Kampuchea reported today. On January 8, the Democratic Kampuchean forces defeated a Vietnamese operation in the area west of camp No 80 in Leach District of Pursat Province, killing 78 enemy soldiers and seizing a number of artillery and other weapons, a transceiver and 2,200 shells.

On January 3, two regiments of Vietnamese troops backed by five tanks launched an offensive on the Veal Sroki Dung Camp of the National Army on the bank of the Mongkol Borei River in Battambang Province. They were attacked by the Democratic Kampuchean forces while passing the Damnak Sala village and fled, leaving five soldiers dead.

The next day, a Vietnamese battalion, covered by tanks, artillery and planes, unleashed a mopping-up operation against the National Army positions along the Stung Chas River. In a one-and-a-half hour fighting, the Democratic Kampuchean forces killed 12 Vietnamese troops including a battalion officer and seized eight pieces of weapons and more than 1,000 shells and ammunition.

On the 1985 New Year's Day Radio Democratic Kampuchea reported, the National Army wiped out a Vietnamese stronghold on the periphery of Samrong City, capital of Oddar Meanchey Province, killing 27 enemy soldiers, wounding 30 and seizing 23 pieces of weapons and 2,300 ammunition. They also took eight villages from the Vietnamese occupation troops.

JAPANESE-SRV TALKS ON TROOPS IN CAMBODIA NOTED

OW121843 Beijing XINHUA in English 1830 GMT 12 Jan 85

[Text] Hanoi, January 11 (XINHUA) -- A six-member Japanese parliamentary delegation led by former Foreign Minister Yoshio Sakurachi ended its visit here today and departed for Kampuchea. The delegation arrived in Ho Chi Minh City on January 3 and arrived here January 7. During its stay, the delegation met with Vietnamese leaders including Parliament Chairman Nguyen Huu ho, Premier Pham Van Dong and Foreign Minister Nguyen Co Thach. During the talks, the two sides discussed the Kampuchean issue and Japan-Vietnam relations.

It was reported that Nguyen Huu Tho in a meeting with Sakurachi on January 8 said that Vietnam would withdraw its troops from Kampuchea in "five to six years." This indicates that Vietnamese troops will continue to stay in Kampuchea.

THAILAND, AUSTRALIA ON SRV ATTACKS IN CAMBODIA

SRV 'Reveals Hypocrisy'

OW120220 Beijing XINHUA in English 0213 GMT 12 Jan 85

[Text] Bangkok, January 11 (XINHUA) -- The recent Vietnamese military attacks on Democratic Kampuchea once again revealed to the whole world Hanoi's hypocrisy about wanting a solution to the Kampuchea problem through peaceful negotiations, said Sawanit Kongsiri, director of the Information Department of the Thai Foreign Ministry, here today.

Sawanit pointed out that Vietnam's military operations in Kampuchea and its frequent intrusions into Thailand showed that Kampuchea is under the control of Vietnam, not the Heng Samrin regime it backs. It was Vietnam troops who attacked the Nong Chan camp, he said. The Vietnamese actions were supported by a superpower, he pointed out, and it was that superpower which had transported three shiploads of arms and ammunition to a Kampuchea port before the Vietnamese attacks on Ampil camp.

Sawanit said the Vietnamese could not continue their current military operations without that superpower's support. He believed that the Vietnamese aggressors are doomed to failure and the Democratic Kampuchean people fighting for national independence and freedom are bound to win. He appealed to all countries in the world to stop their economic assistance to and cooperation with Vietnam.

Peacock Criticizes SRV

OW111558 Beijing XINHUA in English 1432 GMT 11 Jan 85

[Text] Canberra, January 11 (XINHUA) -- Australian opposition leader Andrew Peacock today condemned the continuing assault by the Vietnamese Army on Kampuchean refugee camps along the Thai-Kampuchean border. Peacock said here the attacks were "contemptible and without shame."

He said that since the Vietnamese began their dry season offensive two months ago, more than 133,000 Kampuchean civilians had been forced to flee to Thailand.

He said that contrary to pursuing a peaceful solution, the Vietnamese were now embarked on their most ruthless military campaign since their invasion of Kampuchea in 1978.

He pointed out that Vietnamese actions were a clear attempt "to weaken the ASEAN and Western diplomatic position regarding the future of Cambodia."

Peacock said, "despite the continuous blood-letting in Cambodia, Vietnam still maintains 180,000 troops in that country to protect their client regime."

Criticizing the stand of the Australian Labour government, he said, "Australia's timidity in the face of Vietnam's actions runs counter to the interests of the Cambodian people, to the interests of ASEAN and the interests of Australia." The government was in danger of being used by the Vietnamese, he stressed.

SHANGHAI-HONG KONG STEAMSHIP SERVICE FETED

OW130208 Beijing XINHUA Domestic Service in Chinese 1632 GMT 10 Jan 85

[Text] Hong Kong, 10 Jan (XINHUA) -- To celebrate the fifth anniversary of the resumption of the regular passenger and cargo steamship service between Shanghai and Hong Kong, the Shanghai Haixing Steamship Corp. and the Hong Kong Merchants Steam Navigation Corp. held a joint cocktail party this afternoon on the deck of the SS Shanghai, which arrived in Hong Kong from Shanghai. More than 400 Chinese and foreign honored guests were present upon invitation.

Wang Zaixing, vice general manager of the Hong Kong Merchants Steam Navigation Corp., presided over the cocktail party. While proposing a toast, Liu Yanmu, chairman of the Board of Directors of the Shanghai Haixing Steamship Corp., pointed out: Since the resumption of Shanghai-Hong Kong steamship service 5 years ago, we have received warm care from people in all fields in Shanghai and Hong Kong. The number of passengers served and the volume of cargo shipped by the Haixing Corporation have also increased each year. Over the past 5 years, some 100,000 passengers in Shanghai and Hong Kong have been carried, and the freight volume has reached 640,000 tons. The number of passengers carried and the volume of freight shipped in 1985 increased by 17.7 percent and 25 percent respectively over 1980, the initial period after the resumption of service.

At present, three regular passenger and cargo ships are sailing between Shanghai and Hong Kong. In addition to the SS Shanghai and the SS Haixing under the Haixing Steamship Corp., the SS Jinjiang also serves this route. A regular passenger and cargo ship generally sails from Hong Kong to Shanghai every 5 days.

Li Chuwen, deputy director of the Hong Kong branch of the XINHUA NEWS AGENCY, was present at the cocktail party.

WESTERN EUROPE WELCOMES U.S.-USSR GENEVA TALKS

FRG Political Leaders

OW100848 Beijing XINHUA in English 0646 GMT 10 Jan 85

[Text] Bonn, January 9 (XINHUA) -- West German political leaders welcomed the result of the Soviet-U.S. talks in Geneva but warned that patience was needed for any achievement in disarmament.

West German Chancellor Helmut Kohl expressed his welcome of the Geneva agreement "with great satisfaction and guarded optimism" Wednesday at President Weizsaecker's New Year reception. He also stressed that "much patience and time" were needed because the talks and negotiations would be "doubtlessly difficult and protracted."

Volker Ruehe, vice chairman of the Parliamentary Group of the Christian Democratic Union/the Christian Social Union while expressing his welcome to the U.S.-Soviet agreement, pointed out that no quick result should be expected for the forthcoming U.S.-Soviet disarmament talks, because the two sides have "serious differences of opinions."

Hans-Jochen Vogel, deputy chairman of Social Democratic Party of Germany, demanded that the United States and the Soviet Union should take "concrete steps", namely to stop deploying their missiles in Europe, before their arms control talks started.

FRG Press

OW102028 Beijing XINHUA in English 1835 GMT 10 Jan 85

[Text] Bonn, January 10 (XINHUA) -- West German newspapers, commenting today on the U.S.-Soviet foreign ministers' meeting in Geneva on Monday and Tuesday, are optimistic about the outcome but foresee a long way lying ahead before achieving any concrete results.

The EXPRESS said the outcome of the Geneva talks has brought about a gleam of hope, only a gleam of hope. The announcement made by the two sides is inadequate to guarantee peace. The arms stockpiles built up by the East and West are too huge and they are still growing. This situation will not change even during the negotiation process, it noted.

The FRANKFURTER RUNDSCHAU pointed out that the follow-up arms control talks are probably "the most complicated negotiations in history," and to find a way out from the arms libyrinth is probably a task for generations.

The MANNHEIMER MORGEN held that the outcome of the Geneva talks is, at most, "a traffic sign to years-long and complicated negotiations," rather than a breakthrough.

The DIE RHEINPFALZ said the U.S.-Soviet foreign ministers' meeting in Geneva achieved more results than expected, but it would be exaggerating to consider them a major turn in relations between the two major blocs.

The LUEBECKER NACHRICHTEN noted that the United States and the Soviet Union hold different positions on how to halt the arms race, and, therefore, there will be long and arduous bargaining in their future talks.

Italian Politicians

OW101338 Beijing XINHUA in English 1130 GMT 10 Jan 85

[Text] Rome, January 9 (XINHUA) -- Italian Government and politicians today expressed satisfaction to the results of the Geneva talks between the U.S. and Soviet foreign ministers, and hoped that the two big powers will cut their missiles deployment in Europe.

According to ANSA reports, the prime minister's office "expressed satisfaction to the active results of the talks" between the United States and the Soviet Union in Geneva. It said that development in the past few days indicated that 1985 might be indeed "a year of negotiations" as Italian Prime Minister Craxi said.

Igiorgio La Malfa, president of Foreign Affairs Committee of Chamber of Deputies, said "the Geneva agreement is a very active step towards peace and detente." He said the resumption of the Geneva talks proved that the NATO's decision to deploy missiles last year was effective.

Alessandro Natta, general secretary of the Italian Communist Party, also said in a statement that the Soviet-U.S. Geneva talks showed that the two countries "can get together with mutual trust in order to obtain concrete results in limiting and reducing nuclear arms."

Vald Spini, leader of the Liaison Department with foreign countries of the Italian Socialist Party, was also satisfied with the U.S.-Soviet Geneva talks and hoped that the two sides would discuss the reduction of missiles in Europe in their future talks.

Silvano Signori, under-secretary of the Ministry of Defense, said in an article that differences between the United States and the Soviet Union in the Geneva talks were nothing unexpected. But "we can keep to an optimistic approach," he said, because the Geneva talks conform to the interest of the Europeans, especially the policies of the Italian Government. "Moscow may have changed its wait-and-see attitude and realized that the Western alliance would not yield to any threat, and that it would not benefit anyone if it did not taken part in the talks," he said.

Swedish Prime Minister

OW101056 Beijing XINHUA in English 0907 GMT 10 Jan 85

[Text] Stockholm, January 9 (XINHUA) -- Swedish Prime Minister Olof Palme made a statement here today, welcoming the result of the Geneva talks between the U.S. and the Soviet Union.

The prime minister said that the result of the Geneva talks was satisfactory, for the two superpowers agreed to negotiate to control not only nuclear arms, but also space weapons.

Palme also pointed out that although the new U.S.-Soviet arms control talks would be "difficult" and probably "protracted", it was essential that no time should be lost in efforts to seek a halt to the arms race in nuclear weapons and in outer space.

XINHUA NOTES PROBLEMS FACING NICARAGUA'S ORTEGA

OW111918 Beijing XINHUA in English 1900 GMT 11 Jan 85

["News Analysis: Problems Daniel Ortega Faces (by Liu Peigen)" -- XINHUA headline]

[Text] Managua, January 10 (XINHUA) -- Daniel Ortega, 39, took the presidential oath today to become the youngest and the first elected president of the country since the Sandinists ousted former dictator Anastasio Somoza in 1979.

Judging from Ortega's recent statements and the lineup of his new cabinet announced last Monday, which is chiefly made up of the members of the former ruling junta set up shortly after the Sandinist victory, it seems the new government will follow the existing policy by and large.

Seeking peace is the primary task the new government will address. On one hand, Ortega must try to stop any possible U.S. invasion of Nicaragua and normalize relations with Washington. On the other hand, he must rout the Washington-backed anti-government guerrillas.

Though no substantive progress came out in the 9th round of the Nicaraguan-U.S. talks, the door still remains open for further negotiations.

Nicaragua's Vice Foreign Minister Victor Hugo Tinoco Fonseca, who is in charge of the talks with the U.S., said recently that the country hopes to normalize relations with Washington, but will never do so at the expense of abandoning its good relations with the Soviet Union and Cuba. The Reagan administration has time and again accused Nicaragua of acting as a base of the Soviet Union in the Soviet military expansion in Central America.

In dealing with the rebel issue, Ortega seems to prefer a military solution to negotiations. "The war is forced on us by the United States and we can only end this aggression if we can convince the American Government that this revolution cannot be defeated," said Ortega.

In order to strengthen national defense, Managua will raise the share of military expenditure in the budget to 40 percent this year from last year's 25 percent.

The new government is also confronted with the task to ease the country's economic woes. A Sandinist leader said that at present Nicaragua is more preoccupied with the question of how to exist than how to develop. The government has decided to put off the implementation of an economic development plan until four years later. Now Nicaragua owes a foreign debt of about 4 billion U.S. dollars and the civil war cost it 250 million U.S. dollars in material loss last year alone. This year the country will start no new projects and is expected to run into bigger foreign trade deficits and an acuter foreign exchange shortage as the production of cotton and coffee, Nicaragua's two major export items, failed to meet the targets.

Ortega admitted in his inauguration speech that the current crisis cannot be overcome in a short time. But he pledged that his government will do its utmost to make things better.

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C H I N A
PRC NATIONAL AFFAIRS

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AIR FORCE PROMOTES YOUNGER, EDUCATED OFFICERS

OW140946 Beijing XINHUA in English 0903 GMT 14 Jan 85

["Air Force Promotes Younger and Better-educated Officers" -- XINHUA headline]

[Text] Beijing, January 14 (XINHUA) -- The Central Military Commission has appointed a 42-year-old rocket division commander as People's Liberation Army Air Force deputy chief of staff, according to military sources here today.

Chen Hongyou is one of 300 university graduates to be promoted over the past year to leading positions at or above division levels in the Air Force. He made outstanding achievements while serving at posts from company head to division commander after graduating from the military Telecommunications Engineering Institute at Xian in 1965. He studied modern military science and theory, guided-rocket tactics and new technology. He wrote several academic papers on these subjects and applied them to military training, creating many effective tactical training methods. Chen is still a research fellow at a central specializing in applying anti-aircraft artillery and guided rocket.

In addition to the 300 newly-promoted officers, 500 college and technical secondary school graduates have been selected as reserve regimental leaders.

The Air Force headquarters has ruled that officers who have not been educated up to senior middle school level will not be promoted. Headquarters has also decided that pilots must be recruited from aeronautical engineering institutes and colleges, said an Air Force official.

Greater efforts are being made in China to rejuvenate the senior ranks of the Armed Forces.

Deng Xiaoping, chairman of the Central Military Commission, said in November last year that older officers should give way to younger and more competent people.

MORE ON NEW ARMY UNIFORMS; WILL INDICATE RANK

HK130048 Beijing CHINA DAILY in English 13 Jan 85 p 1

[Text] All of China's PLA officers and soldiers will be wearing newly designed uniforms by May 1, JIEFANGJUN BAO (the LIBERATION ARMY DAILY newspaper) said yesterday.

The new uniforms will have epaulettes and collar insignia that indicate rank, which is not shown on the current uniforms. They'll have peaked military caps, with brims for men and brimless for women. The uniform change is aimed at improving the Army's appearance, keeping abreast of China's open policy in foreign affairs, the paper said.

The emblem on the cap will have five stars and two Chinese characters that mean "August First" (the birthday of the PLA) surrounded by wheat and cog wheels.

High-ranking officers will be issued woolen jackets and trousers. Blended woolen uniforms will be worn by those in middle rank and others' uniforms will be cotton. New uniforms are to be handed out on March 1 and officers and soldiers from some military regions are expected to wear them before May 1.

STATE COUNCIL APPOINTS VICE MINISTERS, OFFICIALS

OW141145 Beijing XINHUA Domestic Service in Chinese 0820 GMT 14 Jan 85

[Text] A number of state functionaries were appointed or dismissed by the State Council from 5 November to 27 December 1984.

1. Namelist of appointments:

Gan Zhijian and Xu Qing were appointed vice ministers in charge of the State Planning Commission; Hu Zhiguang [5170 0037 0342] was appointed vice minister of public security; Wang Runsheng was appointed adviser to the Ministry of Foreign Economic Relations and Trade; Xie Gaojue [6200 7559 6030] was appointed vice minister of electronics industry; Ji Guobiao [1323 0948 2871] was appointed vice minister of textile industry; Shi Xiyu [4258 1585 3768] and Sun Yongfu [1327 3057 4395] were appointed vice ministers of railways; Hu Ximing [5170 3556 2494] was appointed vice minister of public health; Dai Jie [2071 2638] was appointed director of the General Administration of Customs; Lin Shuilong [2651 3055 7893] was appointed deputy head of Overseas Chinese Affairs Office of the State Council; Zhou Daojiong [0719 6670 3518] was appointed president of China People's Insurance Company; and Huang Jiahua [7806 0857 5478] was appointed deputy permanent representative of the PRC in the United Nations (with the rank of ambassador).

2. Namelist of dismissals:

Lu Kebei was dismissed from the post of vice minister in charge of the State Planning Commission; Xue Muqiao was dismissed from the post of adviser to the State Planning Commission; Qian Min was dismissed from the post of adviser to the Ministry of Electronics Industry; Li Xuan and Li Kefei were dismissed from the posts of vice ministers of railways; Tan Yunhe was dismissed from the post of vice minister of public health; Qian Xinzhong and Huang Shuze were dismissed from the posts of advisers to the Ministry of Public Health; Wang Runsheng was dismissed from the post of director of the General Administration of Customs; and Wu Boshan was dismissed from the post of president of China People's Construction Bank.

ALL UNITS BEGIN 2D-STAGE PARTY RECTIFICATION

OW122118 Beijing XINHUA Domestic Service in Chinese 0738 GMT 12 Jan 85

[Capitalized passages denote boldface as indicated by XINHUA]

[Text] Beijing, 12 Jan (XINHUA) -- The second stage party rectification work is now being successively started in all localities and departments. This was learned by a XINHUA reporter from the General Office of the Central Commission for Guiding Party Rectification. For the second stage party rectification to proceed smoothly, the Central Commission for Guiding Party Rectification held a forum in Beijing before the New Year to discuss this stage's work. Forum participants were responsible comrades of the party rectification general offices of the party committees of 14 of the provinces, autonomous regions, and municipalities directly under the central government; responsible comrades of the party committees of 20 prefectures, cities, institutions of higher learning, and large enterprises; and comrades of the All-Army Party Rectification General Office, the Central Discipline Inspection Commission, the Organization Department of the CPC Central Committee, the party committee of organs under the CPC Central Committee, and party committee of the central state organs. They carried out serious discussions, exchanged some information and experiences, and offered many good ideas on how to make a success of the second stage party rectification work.

Bo Yibo, vice chairman of the Central Commission for Guiding Party Rectification, made an important speech at the close of the forum.

Comrades attending the forum were of the unanimous opinion that the second stage party rectification, particularly party rectification in the units at the prefectural and county levels, occupies a very important position throughout the entire course of party rectification work. Units at the prefectural and county levels are a connecting link between their upper and lower level units in the leadership system of the party and state. Compared to various ministries and commissions of the central government and provinces, autonomous regions, and municipalities directly under the central government, these units are closer to the grassroots-level units and the people. As for the enterprises, institutions, universities and colleges, and scientific research organizations at the levels equivalent to the prefecture and county, they are in contact with the people every day. Whether the party Central Committee's line, principles, and policies will be very successfully implemented and whether the party will be able to victoriously accomplish its various tasks of vital importance will depend, to a great extent, on the work done and efforts made by party organizations and party members of the units of these two levels. All of the word, and deeds as well as their thinking and work style can have a direct impact on the party's reputation and image among the masses and directly affect the interests of the masses. There are 13.5 million party members in the units at the prefectural and county levels. Through party rectification, they will be able to really raise their political consciousness and find the correct guiding thought for administrative work and the correct work style. This will give an extremely great impetus to the reform, to economic work, and all other work and to a further improvement of party style and social practice as a whole.

The forum held that, starting now, party committees and party groups of all provinces, autonomous regions, and municipalities directly under the central government and all CPC Central Committee and state organs, ministries, and commissions should shift the focus of party rectification work to making painstaking efforts to study and guide the second stage party rectification work. The forum pointed out that, on the basis of implementing the CPC Central Committee's decision on party rectification and various principles and policies concerning party rectification, as well as the suggestions made by the Central Commission for Guiding Party Rectification on planning for the second stage party rectification, special attention must be paid to doing the following work in carrying out the second stage party rectification:

-- STUDY WELL THE KEY DOCUMENTS ON PARTY RECTIFICATION WITH EMPHASIS ON CERTAIN DOCUMENTS. In view of the fact that units at the prefectural and county levels have generally completed a study of the party rectification documents assigned for study by the party Central Committee and that generally they can only spend about half a year on party rectification because most of them are at the forefront of production and economic structural reform and burdened with heavy tasks, it is therefore felt that they must stress the key documents when studying party rectification documents. They should focus attention on studying the "Decision of the CPC Central Committee on Party Rectification," the "Decision of the CPC Central Committee on Reform of the Economic Structure," the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC," "Create a New Situation of Socialist Modernization in All Fields," the "CPC Constitution," the "Rules of Conduct on Inner-Party Political Life," the relevant articles in Comrade Deng Xiaoping's book "Build Socialism With Chinese Characteristics," and the instructions of Comrade Chen Yun on the question of party style, which are the principal documents. It is imperative to closely combine study with reality and conscientiously understand the spirit and essence of the documents.

-- INTEGRATING PARTY RECTIFICATION CLOSELY WITH REFORM WORK. Successfully combining party rectification with reform is an extremely important guiding principle for promoting reform in the course of party rectification. All units engaged in the second-stage party rectification must arrange and carry out the work under this guiding principle.

Party rectification and reform are related but different from each other. We should not pit one against the other and regard them as "two different layers of skin," nor should we equate them with each other and substitute party rectification for reform. Party rectification is chiefly to solve contradictions and problems in the inner-party political life, eliminate negative phenomena in the party, and enable the ranks of the party to further adapt themselves to the needs of the party's new task during the new period. Reform is primarily to resolve the rigid patterns and defects in the state economic system and to establish a distinctively Chinese socialist economic system full of vitality. Ultimately their goals are to promote the development of social productivity in China, fulfill the general objective of quadrupling the annual gross value of industrial and agricultural output, and eliminate poverty to build China into a strong and prosperous, democratic and civilized socialist country as quickly as possible. In closely combining party rectification with reform, it is necessary to unfold the party rectification work in the light of reform and based on its needs and, through party rectification, to ideologically, politically, and organizationally eliminate the obstacles, open up the way, reinforce the strength, and provide the guarantee for building the four modernizations. A general indicator for judging the success or failure and measuring the degree of the success of a locality, department, or unit in unfolding party rectification work is whether or not it has promoted reform and created a new situation in its economic work in the course of party rectification.

CONDUCTING EDUCATION ON TOTALLY NEGATING THE "CULTURAL REVOLUTION" IN A PENETRATING MANNER. Practical experience in party rectification shows that it is difficult to fulfill the tasks of party rectification without thoroughly negating the "Cultural Revolution" in its theory and practice. To conduct penetratingly the education on thoroughly negating the "Cultural Revolution" is the key to ensuring the deepening of party rectification work. It is also an important question having a bearing on the smooth progress of reform and a long period of order and stability in the country. Therefore, all units at prefectural and country levels engaged in party rectification must focus attention on the education of thoroughly negating the "Cultural Revolution" during the document study phase. First of all, leaders must unify their understanding, dispel lingering fears, enhance confidence, and earnestly take the lead in thoroughly negating the "Cultural Revolution." Second, in conducting the education, it is necessary to pay special attention to thoroughly negating the theory on "continuing revolution under the dictatorship of the proletariat" to further eliminate the "leftist" influence and to thoroughly negate the so-called view that "one faction was correct and another war wrong" in order to fundamentally eliminate factionalism and strengthen party character. Third, it is necessary to combine the education with long-standing problems in each department or unit left over from the "Cultural Revolution." Fourth, it is necessary to conduct correctly the education by unfolding extensive heart-to-heart talks, adhering to the principle of self-enlightenment and self-education, and aiming at raising the awareness and summing up historical experience and lessons.

"CONSCIENTIOUSLY STUDY AND RECTIFY NEW EVIL PRACTICES APPEARING UNDER THE NEW SITUATION. The so-called new evil practices generally refer to the evil trend of taking advantage of the opening to the outside world, enlivening the domestic economy, and carrying out reform in order to use one's position and powers to seek personal gains and make a fortune from "reform." This new evil trend has great momentum and is rather widespread. It is seen not only in grassroots factories, mines, enterprises, and institutions but also in provincial, prefectural, and country organs as well as in some central and state departments. Manifested in various forms, it has two salient features: One is the fraudulent purchase and selling by some party and government organizations or their functionaries of materials urgently needed by the state; and the other is the unauthorized price hike by some enterprises and institutions to the detriment of consumer interests. The masses of people inside and outside the party are very critical of these evil practices.

If the evil trend is not stopped and a good party style and social practices are not fostered, the party rectification cannot be successfully carried out. In view of the fact that the evil practices emerge under the complicated situation of "reform" and "enlivening the economy" and cannot be discerned at once, party committees at various levels must delve into reality and strengthen investigation and study. Evil practices that are proved to be illegal should be resolutely rectified and should not be tolerated or remain unchecked. Of course, it is also necessary to investigate and handle old evil practices. However, the focus should be on investigating and handling new evil practices emerging under the new situation.

CONTINUING TO DO WELL THE READJUSTING LEADING GROUPS. The key to success in readjusting leading groups is to choose the right people. In this connection, it is imperative to give full play to democracy, take the mass line, and use the method of observation by the leadership in combination with recommendation by the masses in order to really choose and promote to leading posts those middle-aged and young cadres in their 30's and 40's who are generally considered outstanding by the masses. There are two principal criteria for judging the work of readjusting a leading group: One is to see if this leading group is capable of leading the masses to carry out the program of the four modernizations and has the resolution and ability to create a new situation. The other is to see if the leading group itself is healthy in its style of work. Any leading group with serious problems that is incapable of leading the work of party rectification must be readjusted during the preparatory phase before the start of party rectification. After doing well in eliminating factionalism and investigating the "three types of persons," units engaged in party rectification at the prefectural and county levels should allot some time out of the phase of party member registration and organizational measures for making further readjustments of their leading groups in a serious manner.

ALWAYS PAYING ATTENTION TO RAISING THE IDEOLOGICAL AND POLITICAL CONSCIOUSNESS OF THE BROAD MASSES OF PARTY MEMBERS. With the work of party rectification being carried out at the lower level, a greater number of party members are involved. A sizable portion of them are party members who joined the party in the "Cultural Revolution" period or after the "gang of four" was smashed. They are not very clear about the history of our party and have a rather inadequate knowledge of the party basics and the fundamental Marxist theories. In view of this, units at the prefectural and county levels should make great efforts to give their party members an education in the party basics, in the fine traditions and styles of our party such as seeking truth from facts, in the criteria for party members during the new period, and in the line, principles, and policies that our party has formulated since the 3d Plenary Session of the 11th CPC Central Committee. The purpose of such education is to enable them to firmly uphold the idea of serving the people wholeheartedly as their fundamental objective, enhance their understanding of the need to build socialism with Chinese characteristics and, on their own initiative, play a vanguard and exemplary role in the work and among the masses. In the second-stage party rectification, we should put the question of raising the party members' ideological and political quality in a more prominent and important position and link it with every task we are doing in the course of rectifying the party. The forum pointed out: Party committees of all provinces, autonomous regions, and municipalities as well as leading party groups of all ministries and commissions of the state organs at the central level must make a real effort to strengthen the leadership over the party rectification work of their subordinate units designated for the second-stage party rectification. The top leaders of the party committees of prefectural and county units must personally grasp the work of party rectification. This will assist in making overall planning for party rectification and other work and organically integrating party rectification with the reform task and economic work. All units are requested to proceed from reality, creatively implement the CPC Central Committee's decision on party rectification, creatively draw on and learn from the experience gained in the first-stage party rectification, arrange their time schedules, and take concrete steps for party rectification according to their respective characteristic conditions.

They should not try to "achieve uniformity" and follow the same fixed pattern. In units under dual leadership, the work of party rectification should, in principle, be led mainly by the local party committees. The party committees of the departments at the higher level leading the professional work of these units should take the initiative to strengthen their contacts with the local party committees and send competent cadres to work with and assist the latter in leading the work of party rectification. Organs directly under the jurisdiction of various provinces, autonomous regions, and municipalities as well as organs of various ministries and commissions at the central level, which have finished the work of party rectification, must improve their work of leading the units at the lower level and their style of leadership, increase their work efficiency, do away with unnecessary meetings and documents, and create favorable conditions for the smooth progress of the work of party rectification at the prefectural and county levels. In no way should they hamper the progress of this work.

It was the opinion expressed by the participating comrades that this forum was very successful and timely. Comrade Bo Yibo delivered a speech at the forum. He expressed the hope that all units engaged in party rectification at the prefectural and county levels would seriously implement the guidelines of this forum and strive to create new experience in the course of practice so as to develop the work of the second-stage party rectification in a down-to-earth and healthy way.

PENG ZHEN, OTHERS MEET ARMED POLICE MEMBERS

OW120116 Beijing XINHUA Domestic Service in Chinese 1529 GMT 10 Jan 85

[Text] Beijing, 10 Jan (XINHUA) -- Some leading comrades met the comrades attending the first enlarged meeting of the CPC Committee of the Chinese People's Armed Police Force and had a group photo taken with them at the Great Hall of the People this afternoon. The leading comrades were party and state leaders Peng Zhen, Yang Shangkun, Yang Dezhi, Yu Qiuli, Song Renqiong, Deng Liqun, Chen Pixian, and Tian Jiyun; Hong Xuezhi, deputy secretary general of the Central Military Commission; Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, procurator general of the Supreme People's Procuratorate.

Peng Addresses Police

OW121213 Beijing XINHUA Domestic Service in Chinese 1618 GMT 10 Jan 85

[Text] Beijing, 10 Jan (XINHUA) -- During a meeting with the leading comrades of the Armed Police Force on 7 January, Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, said: The Armed Police Force should pay attention to education and training to improve the political and professional quality of its members; raise their cultural, scientific, and technical level; cultivate talented people; and turn itself into a People's Armed Police Force with Chinese characteristics.

Peng Zhen said: The People's Armed Police Force is a new organization, in the building stage in our country. With scattered stations, and arduous and complex tasks, the People's Armed Police units are doing a difficult job. However, we Communists have never feared difficulties. To overcome difficulties is what we would call an honor. To meet the needs of their new tasks, the People's Armed Police must have knowledge, skills, and a very high political consciousness. The leading organs of the Armed Police Force Headquarters should know how to conduct investigations and studies, create good working conditions, and improve their work.

Peng Zhen said: Because of their scattered stations, all armed police units and members on duty are required to be staunch, reliable, and capable of performing their tasks independently.

In political work, the Armed Police Force should continue to carry forward fine traditions, and make new creations according to new circumstances. The armed police members should uphold the four basic principles at all times. They should rely on the people, and protect them, national security, and the four modernizations. In short, they should deem it their objective to serve the people. Because of their scattered stations, the armed police units particularly need the people's support. The armed police members, wherever they are working, should first think of the people at their side as their own family members. They should closely coordinate with the people to deal with various circumstances.

Peng Zhen emphatically pointed out: To meet the needs of new tasks, the armed police units must know modern science and technology. Therefore, they must pay attention to study of knowledge and technical training. We should advocate on-the-job study, and blaze our own trails by integrating foreign experience with China's realities.

Peng Zhen urged the party committees, governments, and public security departments from all provinces, municipalities, and autonomous regions to be concerned with building the party's Armed Police Force. He hoped that the People's Armed Police Force would use Marxism-Leninism-Mao Zedong Thought as their tool in working creatively, and build itself into a People's Armed Police Force with Chinese characteristics.

NPC VIEWS DRAFTS ON FOREIGN CONTRACTS, INHERITANCE

Wei Yuming on Contract Law

OW111253 Beijing XINHUA Domestic Service in Chinese 1212 GMT 10 Jan 85

[Excerpts] Beijing, 10 Jan (XINHUA) -- Speaking today at the Ninth Meeting of the Sixth NPC Standing Committee, Wei Yuming, vice minister of foreign economic relations and trade, said: Since our country put into effect the policy of opening to the outside world and invigorating the domestic economy, there has been an increasing number and growing variety of contracts signed with foreign firms covering economic and trade activities. The enactment of a law of economic contracts involving foreign firms is the only way to establish a unified norm for compliance by all in signing and fulfilling such contracts.

Entrusted by the State Council, Wei Yuming explained the PRC Draft Laws on Economic Contracts Involving Foreign Firms to the NPC Standing Committee.

With regard to the fundamental principles of the Law on Economic Contracts Involving Foreign Firms, Wei Yuming said: The tenets that China follows for its foreign economic and trade activities are adhering to the principle of independence, carrying out the policy of equality and mutual benefit, and taking into consideration the usual international practice. To have these tenets embodied by and run through the Law on Economic Contracts Involving Foreign Firms, we have included the following specific provisions in its General Principles: In signing contracts, it is imperative to abide by PRC laws and not to harm PRC national interests and the public interests in PRC society. Contracts should be signed on the principles of equality and mutual benefit and of reaching agreement through consultations.

With regard to conditions for the validating of contracts, Wei Yuming said: According to the provisions of the draft law, contracts for foreign economic relations and trade must be in written form. If a contract needs approval by a competent department as stipulated by the law, it will not be valid until after such approval has been obtained.

On implementing contracts, he said: On the principle of respecting contracts and keeping one's words, the Draft Law on Economic Contracts Involving Foreign Firms stipulates that the parties concerned must totally fulfill their respective obligations according to the terms stated in the contract. Any party that fails to fulfill its obligations stated in the contract must be responsible to indemnify the losses suffered by the other party.

As for invalidity and dissolution of contracts, Wei Yuming said: The draft law stipulates that a contract is invalid provided it contains something in violation of the state law or decree or against the state interests or the public interests in society. Also invalid are contracts signed through deception or coercion. This stipulation agrees with the principle of the "Economic Contract Law" applied domestically. He said: Disputes concerning contracts are settled through arbitration according to usual international practice at present.

However, some of our country's foreign trade and economic cooperation agreements specify that lawsuits are to be used to solve disputes, though others state that arbitration should be the solution. In view of this, the draft law stipulates that either arbitration or lawsuits may be used to solve disputes concerning contracts.

Referring to force majeure, Wei Yuming said: The draft law states that if a contract cannot be fulfilled due to occurrence of an incident of force majeure when the contract is being carried out, the obligation to fulfill the contract should be revoked. Speaking of the article on the applicability of this law, he said: The Chinese-foreign joint ventures and cooperation enterprises established with the Chinese Government's approval are legal persons in China and are protected by and subject to the Chinese laws. According to the draft, this law is applicable to contracts signed between such enterprises and the contracts that they signed with Chinese companies, enterprises, and other organizations.

There are also enterprises solely owned by foreign investors in our country. With development of our foreign economic and trade activities, an increasing number of foreign enterprises will be established in our country. For this reason, the draft states that this law may apply to contracts signed and implemented in China between foreign enterprises and foreign natural persons if they so agree.

Wang Hanbin Discusses Drafts

OW120002 Beijing XINHUA Domestic Service in Chinese 1237 GMT 10 Jan 85

[Text] Beijing, 10 Jan (XINHUA) -- The Ninth Meeting of the Sixth NPC Standing Committee began in the Great Hall of the People here this afternoon. Peng Zhen, chairman of the NPC Standing Committee, presided.

Wang Hanbin, secretary general of the NPC Standing Committee, made an explanation on the meeting's agenda. He said that the main items on the agenda are: adoption of a decision on convening the Third Session of the Sixth NPC, examinations of several draft laws, and hearing a number of specific reports and reports on visits to foreign countries. The agenda was adopted by NPC Standing Committee members at the meeting.

Today's meeting heard a report by Xiang Chunyi, vice chairman of the NPC Law Committee, on the result of the examination of the "Accountancy Law of the PRC (Draft)" by the NPC Law Committee. He said that the draft accountancy law was examined at three meetings held by the NPC Law Committee, and that the opinions of a number of NPC Standing Committee members; central departments and ministries concerned; the provinces, autonomous regions, and municipalities directly under the central government on the draft were taken into consideration.

The NPC Law Committee holds that the formulation of an accountancy law is very necessary in the interest of strengthening the management of economic affairs, properly utilizing available funds, and improving economic results, and that many regulations spelled out in the draft law are practical as well as feasible. The meeting suggested that some points in the draft be revised. The NPC Law Committee recommended that the current meeting of the NPC Standing Committee examine the draft and adopt it as law after it is revised as suggested.

Today's meeting also heard explanations by Wang Hanbin, secretary general of the NPC Standing Committee and chairman of the committee's Legislative Affairs Commission, on a draft decision authorizing the State Council to formulate provisional regulations or statutes governing reform of the economic structure and opening to the outside world. Wang Hanbin said: Our country is carrying out economic reform and is opening to the outside world. It is very necessary to spell out legally binding rules and regulations to cope with the many new problems in this work. Because many of the problems are new and complicated and we do not have any practical experience in working out solutions for them, continuous explorations and tests are required. The current economic reform and opening is developing rapidly, new situations are emerging, and new problems are cropping up. Conditions for the NPC Standing Committee to formulate, supplement, and revise laws to deal with this development are not ripe and those who are doing the actual work cannot afford to wait. Therefore, based on the principles and stipulations spelled out in the Constitution concerning economic structure reform and opening the country to the rest of the world, and in view of the fact that in its resolution on a government work report the Second Session of the Sixth NPC had already approved the policy and measures adopted by the State Council concerning current economic structural reform and opening to the rest of the world, the NPC chairmanship meeting after repeated study and consultations with parties concerned has decided to authorize the State Council to formulate provisional regulations or statutes on flexible application of current laws.

On 30 October 1984, Premier Zhao Ziyang submitted the "Law of the PRC on Economic Contracts Involving Foreigners (Draft)" to the NPC Standing Committee for examination. In an attachment to the proposed draft law, Zhao Ziyang said: To protect the legal rights and interests of parties concerned in economic contracts involving foreigners and to promote this country's economic relations with foreign countries, the Ministry of Foreign Economic Relations and Trade and other departments concerned have formulated "Law of the PRC Economic Contracts Involving Foreigners (Draft)" after intensive investigations, repeated discussions, and working out of revised versions of the draft. The State Council's executive meeting has passed this draft law and hereby submits it to the NPC Standing Committee for examination. Entrusted by the State Council, Wei Yuming, vice minister of foreign economic relations and trade, gave an explanation on the main contents of this draft law at the NPC Standing Committee meeting today.

Today's meeting also heard explanations by Wang Hanbin on the major contents of "The Inheritance Law of the PRC (Draft)." He said that this draft law was formulated in accordance with the Constitution's stipulation that "the state protects the citizens' rights to inherit private property according to law," and is an important component part of the civil law. His explanations dwelled on legacy; protection of women's rights of inheritance; protection of persons of advanced age; and successors, succession precedence, and quotas of legacy inherited; succession by will; and handling of a legacy through consultations.

Attending the meeting were also Vice Chairmen of the NPC Standing Committee Chen Pixian, Geng Biao, Xu Deheng, Peng Chong, Wang Renzhong, Shi Liang, Zhu Xuefan, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyai Gyaincain, Zhou Gucheng, Yan Jice, Hu Yuzhi, Ye Fei, Liao Hansheng, Han Xianchu, and Huang Hua.

Present as observers were State Councillor Ji Pengfei; Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, chief procurator of the Supreme People's Procuratorate. Panel discussions will be held tomorrow.

More on Wang's Speech

OW120024 Beijing XINHUA Domestic Service in Chinese 1310 GMT 10 Jan 85

[Text] Beijing, 10 Jan (XINHUA) -- Speaking at the Ninth Meeting of the Sixth NPC Standing Committee today, Wang Hanbin, secretary general of the NPC Standing Committee and chairman of the NPC Legislative Affairs Commission, made an explanation on an NPC draft decision authorizing the State Council to formulate provisional regulations and statutes concerning reform of the economic structure and opening to the outside world.

Wang Hanbin said that in the current reform of the economic structure and opening to the outside world, we need to promptly formulate legally binding regulations to cope with the many new problems that have sprung up in our work. Because of our lack of experience, we need more study and practice to deal with many of these new and complex problems. New situations and problems are emerging each day, but conditions are not yet ripe in the NPC Standing Committee or the NPC Legislative Affairs Commission to formulate or make supplements or revisions to laws. But time waits for no one. Therefore, based on the principles and stipulations in the Constitution concerning the reform of the economic structure and opening to the outside world and in view of the fact that in its decision concerning a government work report, the Second Session of the Sixth NPC already approved the policy and measures adopted by the State Council concerning the economic reform and opening to the outside world, the NPC chairmanship meeting, after repeated study and consultations with parties concerned, has decided to authorize the State Council to formulate provisional regulations and statutes for the flexible application of current laws such as giving foreign businessmen who invest or build industrial plants in open coastal cities preferential tax treatments that are even more generous than that already provided by current laws. Not only can this solve some urgent problems currently being encountered in our work, but it can also accumulate experiences to better prepare the NPC and its standing committee for the job of formulating and making supplements or revisions to laws and for accomplishing legislative work faster. For this reason and in accordance with instructions from the NPC chairmanship meeting, the Legislative Affairs Commission has prepared a draft decision to give the state Council the power to formulate provisional statutes and regulations concerning reform of the economic structure and opening to the outside world.

Wang Hanbin said that the decision will empower the State Council to formulate, whenever necessary, provisional, flexible, and expedient rules and regulations on the condition that these rules and regulations comply with the Constitution and do not conflict with the basic principles of relevant laws or related decisions of the NPC and the NPC Standing Committee. That means that the State Council has been given the power to formulate provisional, flexible, and expedient statutes and regulations that are based on current laws and the general guidelines of the decision of the NPC and the NPC Standing Committee. If these rules and regulations conflict with current laws or related decisions of the NPC and the NPC Standing Committee, they will be decided upon by the NPC and the NPC Standing Committee. The application of the provisional regulation that empowers the State Council to make flexible and expedient applications of relevant laws is limited only to problems related to reform of the economic structure and opening to the outside world. Other legal problems, such as those related to criminal law or criminal procedural law, are not included in this provisional regulation.

Wang Hanbin said that these State Council regulations and statutes will be provisional. When conditions are ripe after they have been tested in practice, they will be written into law by the NPC and the NPC Standing Committee. Furthermore, when such laws are being formulated by the NPC and the NPC Standing Committee, correspondent stipulations will also be provided to ensure that economic contracts signed with foreign businessmen according to the State Council's provisional regulations and statutes will remain valid until the contracts' date of expiration. The above power authorization is based on provisions of Article 89 of the Constitution which stipulates the function of the State Council: "Other functions as authorized by the NPC and the NPC Standing Committee." It is recommended that this draft decision be examined by the NPC Standing Committee before being submitted to the NPC for examination and approval.

PRC'S ECONOMIC REFORM SAID NOT CAPITALISM

HK110435 Beijing CHINA DAILY in English 11 Jan 85 p 4

["It Seems to Me" column by Tong Gang: "Chinese-Style Socialism Misjudged:"]

[Text] A recent NEW YORK TIMES editorial commenting on China's economic reforms concluded that "if this economic revolution is allowed to run its course, it is bound to produce a comparable upheaval of the political system." Few Chinese would agree.

THE NEW YORK TIMES has implied that China's economic flexibility can lead only to a fundamental political change. The article stated that the Chinese were re-evaluating parts of traditional socialist theory because "nothing in Marx, Lenin, Stalin or Mao could teach them how to make 800 million peasants grow enough to feed themselves." The Chinese have become flexible -- but they are not "ditching" their ideology, as the TIMES said. In fact, what's happening is the formation of a unique brand of socialism with Chinese characteristics.

There are Westerners who are fond of saying China is going capitalist. But they are the only ones saying it; the Chinese certainly aren't. Westerners have noted the existence of billboards and other types of advertising; they read that China is encouraging consumerism; they see that private enterprises have returned.

A socialist economy is a planned economy, and today China recognizes that the best results come from a planned market-oriented economy. To invigorate the economy, China must first put life into the market. But Westerners tend to think of the market as something peculiar to a capitalist economy. This is hardly the case. A market economy must exist both in capitalist and socialist societies. As Alvin Toffler said in his book "The Third Wave," the market is just a mechanism through which an exchange takes place.

Encouraging real growth is the key, and the place where real growth originates is in the market. The Chinese, unlike Westerners, see no contradictions between socialism and consumerism. China believes that socialism should boost production in order to meet the increasing demand of consumers. The changes in Chinese society are so profound that no conclusion can be drawn without seeing the whole picture. It is irresponsible to say China is going capitalist, and such comments merely reflect a poor understanding of the nation.

Some Westerners, it seems to me, are blinded by their preconceptions. They are too familiar with stereotypical socialism in China which includes the communes and the "iron rice bowl." These Westerners sometimes mistake socialism with Chinese characteristics for capitalism and unbridled free enterprise.

It is true that China allows pockets of capitalism in such places as the special economic zones. Private enterprises have also sprung up. But all these measures are implemented only as a supplement to the socialist economy. In a word, China knows its goal: to perfect socialism in such a way as to provide a rich and abundant life for the people.

HU YAOBANG, OTHERS RECEIVE SCIENTISTS IN BEIJING

OWL31900 Beijing XINHUA Domestic Service in Chinese 1158 GMT 13 Jan 85

[Text] Beijing, 13 Jan (XINHUA) -- This afternoon at Zhongnanhai, Hu Yaobang, general secretary of the CPC Central Committee, received several dozen noted scientists who are currently attending a forum on reform of the scientific and technological management system. He had a cordial conversation with them on the situation at home and abroad and on the question of reforming the management system of science and technology.

Comrade Hu Yaobang extended a warm welcome to the scientists and said that the comrades of the central organs will have more contacts with scientists in the future and that arrangements would be made for that purpose. He revealed that Comrade Zhao Ziyang had planned to be present at today's meeting but was tied up with other activities and could not come. So only he and Comrades Xi Zhongxun, Fang Yi, and Hu Qili were meeting with the scientists today, he said.

Comrade Hu Yaobang pointed out: At present both our domestic and external situations are very good and conducive to our endeavor to concentrate on the program of the four modernizations. This has placed a still higher demand on the scientific and technological community of our country. He expressed the hope that comrades of the scientific and technological community would go to various places periodically to see what is going on. One or two times a year, he said, would be enough. He added that the departments and localities concerned should provide conditions for them to gear their scientific and technological work more closely to the reality and needs of the four modernizations program. Hu Yaobang said: At your forum, you have proposed many very good proposals for the reform of the scientific and technological management system. These proposals should be incorporated in the document being drafted concerning the reform in this field.

Comrades Xi Zhongxun, Fang Yi, and Hu Qili also spoke on the occasion.

HU YAOBANG CALLS FOR SUPPORT OF REFORMS

HK120406 Beijing CHINA DAILY in English 12 Jan 85 p 4

[Text] Party General Secretary Hu Yaobang has urged a break with feudal patriarchal concepts and called for support of the current reforms, reports the WORLD ECONOMIC HERALD.

In a talk with the party secretary of Shanxi Province, Bai Jinian, Hu said that reforms need to be encouraged and protected, even though they are sometimes overdone and have to be remedied. China's long period of economic underdevelopment has resulted in conservative attitudes, which greatly hinder social progress and economic development, Hu says.

The exploration, adventure and competition, advocated by the bourgeoisie, are progressive in their contribution to social development despite their disadvantages, the general secretary added. He predicts that it may take up to three decades to eradicate feudal influences in economic and other fields, and he notes that feudal methods used in an effort to break with feudal concepts will only encourage the old ways.

The open policy is a remedy for feudalism. Under the policy, China's remote and backward areas open up to the nation's more economically developed provinces and cities.

Competent leadership is also essential to the success of reform. Promotion needs to be given to well-educated and enterprising young people who are not constrained by obsolete concepts, especially to university graduates and students returned from overseas who have distinguished themselves.

Though veteran party cadres can help younger cadres with Marxist and Leninist theory, Mao Zedong Thought, the party's style of work and the lessons of history, they are no wiser than the young in the fields of economics and modern science and technology, he adds. However, the general secretary says, "leftist" politics, such as "taking class struggle as the key links," should never be passed on to young cadres.

Support should be given to the reform in ideology and living habits, he adds. Changes in life-style have often been the beginning of many reforms in history and should not be neglected. For instance, Dr Sun Yat-sen advocated wearing tunic suits and cutting the plait worn by all Chinese males throughout the Qing Dynasty (1644-1911). Popularization of the vernacular and the abolition of foot-binding of Chinese females were important achievements of the May 4th Movement in 1919. Chairman Mao also paid attention to matters of life-style. He opposed the practice of holding official ceremonies to celebrate individuals' birthdays and suggested cremation instead of burial of the dead.

Any reform of life-style directly influences the individuals' way of thinking and thus the economy and the whole of society. Hu says, reforms can therefore begin in apparently trivial matters, such as encouraging people to wear Western suits.

Consumption is closely related to production, and by encouraging greater consumption, the general secretary says, we are actually promoting production. In some places, people do not eat fish, but their eating habits will change as the fishing industry develops. When production has been developed, it is improper to call upon people to economize on food and clothing, and to restrict consumption. Work methods that encourage feudal modes of thought should be put aside, such as the practice of accompanying leaders, including Central Committee members, with retinues of attendants and guards while on inspection tours.

In a word, Hu concludes, reform needs action, not empty talk which only helps bind people's minds and preserve their backwardness.

WAN LI URGES PROMOTING SOCIALIST ETHICS

OW120209 Beijing XINHUA Domestic Service in Chinese 0815 GMT 10 Jan 85

[By RENMIN RIBAO Reporter XIAO DU and XINHUA reporter Li Shangzhi]

[Excerpts] Beijing, 10 Jan (XINHUA) -- How will we launch the "five stresses, four beauties, and three loves" activities this year? The Third Plenary Session of the National Committee for Promoting Socialist Ethics held this morning set general demands: firmly grasp the activities well, draw up an overall plan, and emphasize ideological construction, spreading civic virtues and strengthening the legal system. In addition, it is necessary to grasp properly and in an all-round way the construction of more cultural and public welfare facilities and improvement of the environment.

Wan Li, chairman of the National Committee for Promoting Socialist Ethics, spoke at the session. He said: Economic construction and economic structural reform have set still higher demands on the construction of a socialist spiritual civilization in cities and the countryside. The new situation calls for strengthening party and government leadership over the "five stresses, four beauties, and three loves" activities, so that activities can serve the Chinese people's general tasks and goals still better and be closely linked with the realities of reform and construction. It is necessary to make full use of all means of publicity to further deepen the people's understanding of the activities, boldly commend the good, and criticize the bad. He emphatically noted: It is imperative to deepen the activities in line with the guidelines of the 12th CPC Congress. We must grasp the activities still firmer, still more steadily, and still more forcefully so the results will be still greater than last year's.

Jin Jian, deputy secretary of the Beijing Municipal CPC Committee, and Hu Jintao, first secretary of the CYL Central Committee, separately spoke at the session. The PLA General Political Department gave a written statement to the session. They respectively introduced the activities launched by the people in Beijing, the young people throughout the country, and the PLA commanders and fighters in the past year. They also put forward plans and measures this year's activities.

The session discussed and decided on the main points for the "five stresses, four beauties, and three loves" activities in 1985.

FANG YI ON REFORM OF RESEARCH MANAGEMENT

OW131340 Beijing XINHUA in English 1321 GMT 13 Jan 85

[Text] Beijing, January 13 (XINHUA) -- State Councillor Fang Yi said here today that the Chinese Academy of Sciences should actively conduct academic exchanges and may run research institutes jointly with foreign countries.

Speaking on the last day of the academy's working conference, Fang Yi, who is also a member of the Political Bureau of the Chinese Communist Party Central Committee, said that the restructuring of the scientific research management system would be a major task for China this year. He pointed out that the academy's reform should aim to invigorate its research institutes by giving them greater decision power and linking scientific research and development with social and economic demands. He called for putting an end to the practice of the state providing all funds to the research institutes while their research results were transferred to the users free of charge. He encouraged scientific institutions to diversify their sources of income by undertaking projects for various enterprises and localities.

Fang Yi noted that research results should be turned into a commodity and reforms to that end should be speeded up.

FOURTH WRITERS ASSOCIATION CONGRESS CONCLUDES

HK110819 Beijing RENMIN RIBAO in Chinese 6 Jan 85 p 1

[Report by Wu Peihua, Lu Zupin, and Jiang Yinan: "Fourth Congress of Chinese Writers Association Ends"]

[Excerpts] The 8-day fourth congress of the Chinese Writers Association ended victoriously on the afternoon of 5 January. At the closing session, a new "Constitution of the Chinese Writer's Association" and the namelist of members of the board of directors and advisers to the association were adopted. On behalf of the presidium of the congress, Wang Meng made a closing speech.

At the closing session, all the representatives present, with warm applause, passed the resolution to send a letter of appreciation to the writers of the older generation who were absent because of illness, including Zhou Yang, Ba Jin, Xie Bingxin, Cao Jinghua, Zhang Tianyi, Ouyang Shan, and other representatives and honorary representatives. The letter expressed the wish for a speedy recovery for all of them and they may live happy lives.

During the congress, leading comrades of the Central Secretariat and the State Council, Qiao Shi, Wu Xueqian, and Gu Mu, as well as the responsible persons of relevant departments, Du Runsheng and Gan Ziyu, delivered separate reports at the congress by request. Important events both at home and abroad were touched upon in the reports, which were warmly welcomed by the attending representatives.

More than 10 writers made speeches at the congress, expressing their ideas as to ways to further promote literary creation. They held that the existing obstacles in developing literature still come from the interference and influence of "leftist" ideology. Therefore, we should absolutely not hesitate to eliminate the "leftist" influence. The CPC Central Committee clearly emphasizes shaking off the trammels of "leftist" ideology, respecting the labor of writers, and realizing freedom in creation, which will surely give an impetus to the literary cause and provide a wide scope for new exploration. The golden time of socialist literature has now come. Writers should exert still greater efforts to scale new heights and do their best to create more and better works, so as to live up to the expectations and trust of the party and the people.

During the congress, several hundred old, middle-aged, and young writers voluntarily wrote a letter of consolidation for Comrade Zhou Yang, who is currently in the hospital, to express their deep concern and regards for him.

Closing Speech on 'Golden Age'

HK110855 Beijing RENMIN RIBAO in Chinese 6 Jan 85 p 3

[Text of speech by Wang Meng, at the closing session of the fourth congress of the Chinese Writers Association: "The Golden Age of Socialist Literature Has Come"]

[Text] Comrades, we have had a very significant meeting. This congress, attended by the representatives of the members of the Chinese Writers' Association, has truly aroused the spirit and enthusiasm of us all, and has given a new impetus to the development of socialist literature. The golden age of Chinese socialist literature has truly come!

If it can be said that a few years ago there were remnants of shock or apprehension in the midst of our revived enthusiasm, our creations, and our souls, and if it can be said that we were not so steady and confident in our footsteps toward a new period and a new life several years ago, then now the situation is much brighter and more clear, and we have improved ourselves greatly. What are we waiting for? What else do we want? In the history of China, how many times has a situation such as ours emerged in which the economy is developing, the political situation is stable, everything flourishes, reforms are boldly carried out, policies are on course, people eagerly want to improve themselves and ask for spiritual food, writers have accumulated so much and are full of enthusiasm, and other such favorable conditions? Everything is ready; what is lacking is the east wind -- the good works we shall produce!

I will focus on several points:

1. New things should be created. We are living in an age in which "new things are created." "New things are being created" in the socialist cause, in the economic system, and in the 14 open cities. "New things are being created" in people's spirit and minds, in their lifestyle, and in their ideas. The congratulatory speech of Comrade Hu Qili has new ideas. The report of Comrade Guangnian has new ideas. Under these circumstances, should we -- the people who write novels, poems, plays, prose, and comments and other articles -- stay in the same spot, looking right and left and marking time, and busy ourselves with fixed patterns? Shouldn't we strive to use our works to convey the new ideas of the times, the new messages in life, the new concepts in people's minds, the new achievements in science and knowledge, and the explorations in art? I maintain that the spirit of our age is primarily the spirit of reform and the spirit of creation and breaking new ground, which is also a spirit of openness and seeking truth from facts. As long as our actions are beneficial to the "four modernizations" drive and to the development of the productive forces, we should not be fettered by fixed and ossified patterns. This is true of the economy, and this is also true of the political and ideological work and scientific research. In this spirit of creation and exploration unimportant or of a questionable character in relation to the literary creation activities which need this kind of spirit most?

Of course, creation cannot be separated from inheriting a fine tradition, and new explorations will often have shortcomings and mistakes. All these require comment and study in a dialectical and matter-of-fact manner. At the same time, there is the problem of orientation, or path, in the work of creation and exploration. However, stagnation and conservatism can only mean the withering of the arts, which poses a question regarding the orientation or path. Rotten ideas of capitalism and remnants of feudalism are not creative products, but rather a spiritual burden that belongs to the past. Let us make our socialist literature develop at an amazing speed on the basis of opening up a new life, a new spirit of the age, and a new scope of knowledge!

2. Discussions should be conducted on an equal footing. It is necessary to promote the spirit of "everyone being equal before art." Just as we say that "everyone is equal before the law," in terms of art, every piece of work or any kind of theory, no matter who advocates or produces it, should be tested by practice, by the masses, and by the passage of time. History, as well as the invisible ruler that measures literature and art, are strict. Truth, goodness, and beauty are not created or designated by administrative power or by propaganda; falsehood, bad works, and ugliness are not established by false accusation or labeling. Therefore, art discussions and criticism must be on an equal footing and must be democratic, scientific, and within reason. The leadership of the party does not mean the cancellation of discussions on an equal footing. Instead it means allowing the protection, development, and adequate influence of these kinds of discussions. The fighting scientific spirit of Marxism dictates that it has patience and is persuasive, full of confidence, and disdains putting pressure on others. The Marxism popularized by pressure is often not genuine Marxism. Therefore, Chairman Mao long ago pointed out explicitly that it is not feasible "to use administrative force to popularize a style of writing or a school of thought and to prohibit another style of writing or school of thought." How true are Chairman Mao's words! Now tens of years have passed, and the present situation is favorable to us. Why shouldn't there emerge a few more styles and a few more schools of thought? Why shouldn't we become ever more lively?

That is to say, a genuine Marxist who lives in socialist China and practices the people's democratic dictatorship can use his ability with confidence to present practical and creative literary comments exposing errors and fallacies, and can write his articles and speeches in the capacity of one of a writer and commentator, and it is not necessary for him to utilize labels and authority to put pressure on others.

Frankly speaking, a writer should welcome criticism and should not be afraid of criticism, even rash and rough criticism. Just as there are rough people in the world, there is rough criticism in the literary world. This is true at all times, both at home and abroad. The crux of the problem lies in the fact that some of our comrades are not accustomed to conducting public and equal criticism and debates, let alone sharp and somewhat rough criticism, and it seems that they are used to treating the problems in literary works (naturally there are problems in these works) as something equivalent to "new trends" or even "enemy movements" and reporting them to the upper level authorities in a secret and serious manner. In this way, they alert the authorities, crying "the wolf has come" or "something grave has happened," and they actively seek the use of "administrative power" to upgrade the problems to those pertaining to "key link or line." This is really not a wise method of developing literature and art and academic discussions. This is really not beneficial to the victory of truth over fallacy.

The congratulatory speech of Comrade Qili pointed out the necessity of improving the leadership of the party in literary work. The speeches of some comrades also talked about this point with feeling and enthusiasm. But frankly speaking, we should also think about the problem of "leftist" practices ourselves. Did some of our comrades ask for labels, administrative power, or orders from above to put pressure on fellow writers? Did some of our comrades use their own "leftist" practices to call on, request, or even incite the "leftist" practices of the leading organs? The idea that the target of criticizing the "left" should be left to the higher authorities and the target of criticizing the right will be left to the frightened writers is, I am afraid, not well-founded.

Let us conduct discussions on a truly equal footing. Equality should be practiced not only in meeting, but should also be practiced after meeting if in regard to a bad piece of writing. Discussions on an equal footing will definitely not harm the authority of Marxism, but, on the contrary, this kind of discussion is the manifestation of the truth and theoretical strength of Marxism.

3. It is necessary to achieve unity. Unity is the guarantee for encouragement and prosperity. The ranks of our writers are good, and they are united and friendly toward each other. However, when I think of the instances of division among us, and when I think of the fact that some of our competent and outstanding writers who are loved by their readers are not in a position to fully use the splendid freedom of writing to do their writing with one heart and one mind, but have to use their precious time and energy to cope with interference and disruption, I really want to cry. It is really tragic! We can no longer let this kind of tragedy go on or even pass this to our young ones! Stability and unity are the requirement of the "four modernizations," the wish of the people, the certainty of history, and the dignified order of the times. Stability and unity are also the political premise for freedom of creation. Without unity, there would be no freedom. Just as teacher Ba Jin aptly put it: A writer's name should be associated with his writings. Are you not convinced? Very good. Show us your best works and best ideas! Let us develop noble and civilized literary competition; such competition can only enhance our solidarity and friendship. Let us compete with each other to see who runs fastest, and not to see who is the best in tripping others!

Finally, what I emphasize is that one should demand more strictness of one's writings. When discussing Marx' "Das Kapital," Engels once said that Marx held that even if he had produced his best work, it would still be not a satisfactory work to the people. And if what he produced was not good enough, it would amount to committing a crime. I feel ashamed whenever I read this passage. Even though I have written quite a number of works, where is "the best?" It is high time that we should be more demanding of ourselves, more responsible, and more self-conscious. Let us produce better and still better works! Let us produce the best novels, poems, scripts, prose, essays, and comments! How can we fail to live up to the expectations of our ancestors, our teachers, and our splendid times!

FURTHER ON HU YAOBANG SPEECH TO HEBEI GUESTS

OW11065+ Beijing XINHUA Domestic Service in Chinese 1132 GMT 6 Jan 85

[Feature by reporter Zeng Jianhui: "Good Tidings Brought to Zhongnanhai"; Beijing XINHUA Domestic Service in Chinese at 0843 GMT on 6 January carries a "public notice" requesting "front page prominence" for the following item]

[Excerpts] Beijing, 6 Jan (XINHUA) -- An unusual meeting was held in the conference hall of the Central Secretariat at Zhongnanhai from 4-5 January. In the meeting, party committee secretaries and magistrates from 22 counties in Baoding Prefecture, Hebei, gave their reports to the central leading comrades on the fruitful results gained by the prefecture's peasants with diligent labor during the past year. The per capita income of the prefecture's rural populace increased by more than 100 yuan. This was the first encouraging good news to come from the grassroots level in 1985.

The spacious conference hall resounded with hearty laughs. General Secretary Hu Yaobang and leading Comrades Wan Li, Xi Zhongxun, Hu Qili, Qiao Shi, and Tian Jiyun cordially greeted the comrades who were fighting on the forefront at the grassroots level, and asked them to convey the party Central Committee's congratulations and gratitude to the 7.3 million cadres and masses in the rural areas of Baoding Prefecture. Hu Yaobang highly praised their accomplishments. He said: It is very significant that your rural populace per capita income has made such a widespread and large increase. It will generate a tremendous force. First, it will generate the material force needed to expand reproduction and improve the people's living standard; but even more important is that it will generate an enormous spiritual force to inspire the confidence of the people, not only in Baoding Prefecture but in all other localities, and inspire their ability to redouble production.

The report meeting started at 1330 on 4 January. After everyone was seated, Hu Yaobang briefed them on what brought about the meeting. When Comrade Yaobang passed through Baoding Prefecture's Dingxian County in April last year, he was told by the secretary of the county party committee that the county had set a high goal of increasing its rural populace per capita income for the year by 100 yuan. Comrade Yaobang replied that if they could reach the goal, they should come to Beijing with the report toward the end of the year. Now, not only Dingxian County, but all except 2 of the rest of the prefecture's 22 counties have also achieved this goal. This is why everyone here was invited to have a joint discussion. The responsible persons of the two counties in Baoding Prefecture which have not attained the goal were also invited, because they have also done the best they could. They made the effort. Comrade Hu Yaobang also said: Of the 140 counties in Hebei, 61 realized their goal last year of a 100-yuan increase in the average income of their rural populace. He asked Xing Chongzhi, secretary of the Hebei Provincial CPC Committee who was also present, to convey the party Central Committee's congratulations and respect to the people of these localities.

As the report meeting started, the hall was filled with a warm atmosphere and the participants took the floor one after another. By dusk most of the comrades had still not spoken. At that time, Comrade Yaobang asked everyone to stop for the time being to have a simple meal at Zhongnanhai. He also decided to extend the meeting for another day.

Zhang Zhengguo, secretary of the Baoding Prefectural CPC Committee, and the comrades from 22 counties made reports at the meeting.

Zhang Changhai, secretary of the Dingxian County CPC Committee, spoke next. He said: "We hereby report to the party Central Committee and the general secretary: We have realized a 145-yuan increase in the per capita income for the whole year." Hu Yaobang smiled heartily and said: "You have overfulfilled your task. Zhang Changhai took the trouble to look me up on the train to tell me about this on 2 April last year. He has done a good thing!" Then, Zhang Changhai continued: Dingxing County this year plans to raise its per capita income 100 yuan from last year. It plans to raise its total industrial and agricultural output value in 1985 to 370 million yuan, up 32 percent from last year; and make great efforts to develop enterprises run by towns and villages and strive to make their income reach 140 million yuan, increasing by more than 73 percent compared with 1984. It also plans to develop animal husbandry. At this point, Comrade Yaobang interrupted him by saying: "There must be a specific method for each county to enliven its work; but the fundamental rule is that it must strive to help its people become better off. This is a mass viewpoint of the utmost importance." All comrades were full of praise for the products brought to the meeting. Comrade Wan Li commented in praise: They can take over the urban market.

On 5 January, Comrade Yaobang also invited Chen Xitong, secretary of the party committee and mayor of Beijing Municipality; and Han Boping, deputy mayor, to the meeting to introduce the situation in the rural areas on Beijing suburbs and join the comrades from Baoding Prefecture's counties to see how more cooperation can be promoted between the two sides.

Hu Yaobang gave an important speech before the meeting closed on the afternoon of 5 January. He said: The party Central Committee is very happy to see Baoding Prefecture realize a very considerable growth in the economy and to see other areas throughout the country also achieve a very fast growth. He noted the significance of the fact that the per capita income of Baoding Prefecture's rural populace showed a 100 yuan increase. The rural areas represent the main domestic market in China. If each of the 800 million rural population can realize a 100-yuan increase in income each year, it would mean an amount of 80 billion yuan, or 1/4 of China's total agricultural output value today. Even if the figure is only 1/2 as much, it would still amount to 40 billion yuan. What a big market this would mean! This will prove to be an extremely powerful motive force for China to promote the four modernizations. It is precisely because of this that we have always paid attention to enabling the rural areas to double their production. China should draw confidence mainly from the rural areas in its ability to double its output. Therefore, the role to be played by the spiritual force generated from Baoding Prefecture's successes will prove to be far greater than what the material force can generate.

Hu Yaobang pointed out: The great economic growth of Baoding Prefecture and the rest of China in 1984 proved that much enhancement has been made in ideological consciousness and work style of the large numbers of rural work cadres. More and more people have come to the realization that to lead the masses of people to work hard and enable the country and the people to become better off more quickly is the concentrated expression of the ideological consciousness of contemporary Chinese Communists. It also represents one of the most important criteria by which the height of our cadres' ideological consciousness and competence is determined. He felt that there has also been a great deal of improvement in the work methods used by the cadres. This is manifested in the change in more and more cadres from their past practice of doing nothing but complaining about difficulties with superiors and giving orders to subordinates, which has resulted in the practice of formalism, trickery, and other such abominable ways of doing things.

These cadres have reverted to some new methods. The first method is by going to the grassroots level to discover good experience and good methods and seek out competent people and the masses to consult with them. One example is the "mass discussion on how to become rich" carried out in Baoding among its cadres, masses, specialized households, and poor households. When the get-rich plan is implemented one individual, one household, and one village at a time, when hearts are linked to those of the people, when the welfare of the masses is worked for, how can the people not feel happy? It seems that this "mass discussion on how to get rich" is a new way of taking the mass line under the new situation. The second method is by going out to exchange information, develop joint ventures, and bring in technologies and qualified personnel. In 1984 much progress was made by the various localities across the country in opening their doors to each other. This has played a good part in doing away with the situation of a closed society, opening wide one's vision, and bringing in competent people and good experiences. The third method is by improving the quality of leading bodies by reorganizing them. A large number of young and middle-aged comrades, equipped with more knowledge and more exuberant in the spirit of pioneering, has been absorbed as members of the leading bodies at various levels.

Hu Yaobang was pleased to hear the plans presented by the comrades of the various counties of Baoding Prefecture that call for another 100-yuan increase in their 1985 per capita income, as well as their reports on what they planned to achieve in the future. He hoped that they could realize their goals. He added: It would not matter very much if you cannot attain the goals. In this regard, there is also a need to emancipate the mind. You would of course be thanked when and if you fulfill or overfulfill your tasks. But if you do not, others would have no reason to blame you as long as you have done your best and made the effort.

Hu Yaobang said: The policy on this year's rural work has been decided by the national conference on rural work which was convened not too long ago by the party Central Committee. Both Comrade Zhao Ziyang and Comrade Wan Li made a good speech in the meeting and I agree with both of them. When you arrange for this year's rural work, you should act in keeping with the guidelines of the conference. He said that he agreed with the plans mentioned in the reports made by Baoding Prefecture's various counties that they would pay attention to the development of their village and town enterprises and continue to readjust agricultural structure and develop a diversified economy. Regarding village and town enterprises, he said: First, I agree with your decision to move in the direction of producing higher-grade products with improvements each year; but you should also not forget about intermediary or low-grade products. If everyone wants to make high-grade products, popular products would no longer be available. After all, the people's power as consumers remains limited at present and they cannot afford high-grade products. Second, you should pay special attention to opening up new markets at home and follow the principle of not going after momentary profits by working for small profits but quick turnovers. This is the only lasting and reliable method.

Hu Yaobang also stressed: In restructuring agricultural production, attention must be focused on moving in the direction of completing a coordinated process from planting to breeding to processing. This is particularly so in the case of breeding pigs, cattle, sheep, fowl, and fish. For instance, grain should be turned into fodder with which to raise pigs, cattle, sheep, or fowl, which should be butchered and processed where they are raised.

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One important thing here is that you must not neglect the job of planting. Otherwise, if everyone goes in for industry or sidelines, there will be a time when agriculture will decline. We must raise this question right now so as not to lose time. In short, only when there is a coordinated process available from planting to breeding to processing, can there really be a vast vista of development for China's agriculture. Only then will our agriculture remain always viable. Of course, this is a matter which can only be attained step by step, and we must guard against being rash.

In conclusion, Hu Yaobang told the comrades from Baoding Prefecture: If you realize what you are aiming at once again in 1985, the Central Secretariat will send a comrade to your place to congratulate you there at the time. At this, the entire hall responded with a resounding applause.

Before he walked out of the conference hall, Comrade Hu Yaobang turned to speak to everyone: You had better not leave tomorrow; stay here for another day to tour Beijing, and rest another day. This is also another way to thank you for what you have done for the people of Baoding Prefecture.

ZHAO ZIYANG INSPECTS SHANGHAI VILLAGE 5 DEC

OW120552 Shanghai. JIEFANG RIBAO in Chinese 8 Jan 85 p 1

[Dispatch by reporters Zhang Yifan and Jia Ankun]

[Excerpts] On 5 December 1984, Premier Zhao Ziyang visited Malu Township in Jiading County, the only township in the Shanghai suburban area that registered an annual industrial and agricultural output value of more than 100 million yuan. Wang Zhongming, secretary of the township party committee, briefed the premier on the township's plan to double the annual output value and make it exceed 200 million yuan by 1988. Hearing the report, Premier Zhao happily said: "You have indeed set a great objective!"

Wang Zhongming made a detailed account of the township's measures to double the output value by 1988. Premier Zhao said with full zest: "It will be very easy for you to double it!" and "You have bright prospects!"

Spring came early to this southern Jiangsu township after the premier's visit. Once New Year's Day was over, the cadres and people in Malu Township have resumed their hard work done according to their strategic objective toward a new economic takeoff.

JIANGXI TAKES MEASURES TO HELP POOR AREAS

OW140607 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 11 Jan 85

[Excerpts] When most of the peasants become well-off, what should be done to help the remaining poor peasants? The Jiangxi Provincial CPC Committee and the provincial People's Government held an on-the-spot work meeting in Jinggangshan from 7 to 9 January to help poor areas change their features. The meeting worked out 10 measures to help the poor areas. The main contents of the special measures include adopting free purchase and marketing systems for all products of agriculture, forestry, animal husbandry, sideline production, and fishery, as well as for special local products in poor areas, reducing or cancelling fixed quotas for purchasing grain; permitting peasants to engage in forestry, animal husbandry, or fishery on farmland not suitable for farming; cancelling state monopoly purchase of timber and bamboo and adopting a system of planned felling and free purchase and marketing in (Cantai) Township, a poor area; arranging production contracts with peasants to let them manage mountain forests on a long-term basis; cancelling restrictions on peasants mining mineral resources on a collective or individual basis; and reducing agricultural tax in poor areas for 3 to 5 years as of this year.

Wang Shufeng, deputy secretary of the provincial CPC Committee, presided over and spoke at the meeting. He called on all leading comrades to boldly reform all rules and regulations unfavorable to the development of productive forces and to go all out to help poor peasants eliminate poverty as soon as possible.

Responsible comrades of some prefectures, cities, and counties and leading comrades of the provincial Military District, the General Office of the provincial CPC Committee, the Agriculture and Industry Department, the provincial Planning Committee, the Finance, Food, Forestry, Commerce, and Civil Affairs Departments, the provincial Agricultural Bank, and other departments attended the meeting.

JIANGXI URGENTLY NEEDS FOREIGN TECHNOLOGY, FUNDS

HK091122 Beijing ZHONGGUO XINWEN SHE in Chinese 1454 GMT 8 Jan 85

[Report: "Jiangxi Badly Needs Foreign Advanced Technology and Equipment to Carry Out Large-Scale Exploitative Construction, Says Vice Governor Liang Kaixuan"]

[Text] Nanchang, 8 Jan (ZHONGGUO XINWEN SHE) -- Jiangxi Province is very large and is rich in natural resources. Now it badly needs advanced foreign technology and equipment and foreign funds as well to carry out large-scale exploitative construction. This was stated today by Liang Kaixuan, vice governor of the province, when he spoke to newsmen of eleven newspapers and television stations from Hong Kong.

Liang Kaixuan said: In developing foreign economic and technological cooperation at present, Jiangxi Province stresses agriculture, forestry, animal husbandry and fishery. It plans to make good use of its red soil for cultivating more grasslands and to harness the Gan Jiang and the Poyang Hu and make proper use of them. In this way the province will be able to develop forestry, animal husbandry, fishery and the processing industry of animal byproducts and farm products so as to build Jiangxi into a food industry base in our country. In developing the building materials industry, the province will make full use of its nonmetallic mineral resources, such as plaster stone mines and marble mines to build cement plants, plate glass plants and sanitary ceramics factories so as to build central and northwest Jiangxi into bases of the building materials industry.

In developing the metallurgical industry, the province will exploit mines of tin, lead, zinc, tantalum and niobium and build smelters for rare-earth metals to develop production of hard alloy and wolfram products so as to build south and northeast Jiangxi into bases of the nonferrous metal industry. In the porcelain industry, the province will go all out to develop porcelain products for building construction, handicraft and household wares and will increase the export of ceramic products so as to build a ceramic industry base by taking Jingdezhen as its center. In tourism, the province will transform all travel service facilities on Lu Shan and build new ones and will build new scenic spots on Sanqing Shan and Longhu Shan so as to build a tourist trade base by taking Lu Shan as its center. Meanwhile, the province will also make tremendous efforts to develop the machine-building industry, the electronics industry and the light industry while speeding up the development of the energy industry.

Liang Kaixuan continued: Hong Kong is one of Jiangxi's export markets and an important bridge for its economic and technological cooperation with foreign countries as well. In foreign trade the province will vigorously produce new products that are salable on world markets while continuing to develop its traditional export commodities. With continued efforts to consolidate and expand its trade with Hong Kong, Macao and the Southeast Asian countries, Jiangxi this year will energetically develop trade with Japan, the United States, Western Europe, Eastern Europe, the Middle East, and Latin America.

Liang Kaixuan also said: While Jiangxi Province is still to be developed, it has broad prospects for developing economic and technological cooperation and expanding foreign trade. Jiangxi warmly welcomes compatriots from Hong Kong, Macao and Taiwan, Overseas Chinese and foreign friends to come for trade and investment. Adhering to the principle of mutual benefit, the province will give special preferential treatment in taxation, remittance of foreign exchange, and decisionmaking powers of enterprises. Foreign investors can have priority in the supply of building materials, raw materials, and energy and in arrangements for capital construction, transport and communications.

Jiangxi Province has decided to hold a symposium on foreign economic cooperation and an exhibition of export commodities in Hong Kong in March this year.

SHANGHAI STRESSES WIPING OUT '3 KINDS OF PEOPLE'

OW120200 Shanghai JIEFANG RIBAO in Chinese 8 Jan 85 p 1

[Excerpts] Written comments of the Shanghai Municipal CPC Committee's Office for Guiding Party Rectification: In carrying out party rectification and making corrections, the Shanghai Railway Bureau has attached importance to the unredressed case involving Liu Ziyi, concentrated efforts to solve key problems, drew inferences about other cases from this instance, and promoted the work of "examination and investigation" in the whole bureau. It has thus fulfilled various tasks in carrying out party rectification. Their experience has shown us that the four tasks in carrying out party rectification are a unified entity. While setting right the guiding principle for professional work and striving to create a new situation, we must not slacken our efforts in examining and making investigations on the "three types of people." Particularly, Shanghai units involved in first-stage party rectification are reaching the phase of the registration of party members. If we do not grasp the investigation of serious problems left from the "Cultural Revolution," the "three types of people" and other elements who stubbornly oppose and harm the party may stay hidden and thus adversely influence the purity of our party organization. Therefore, all units involved in party rectification must pay great attention to the matter.

Since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, party organizations at various levels have made great efforts; and most unredressed, false, and erroneous cases during the "Cultural Revolution" period have been redressed. However, it is not enough merely to rehabilitate the victimized comrades. We must find out whether we have made thorough investigations on the organizers, plotters, and other people who were responsible for those cases and whether we have thoroughly clarified the right and wrong of those major cases. In the earlier stage of Comrade Liu Ziyi's case, the people who were responsible for this major erroneous case were still working in key departments or occupying leading posts. The victim's family members had complaints, and cadres and party members were not unified in their understanding. How can we say that we have ended disorder and set things to right concerning this major erroneous case, and "conclude the case?"

Shanghai was a "major disaster area" during the "Cultural Revolution." The "gang of four" and their company cruelly persecuted cadres and masses and created large numbers of false and erroneous cases. Even now there are still a small number of false and erroneous cases which have not been thoroughly investigated, and those who were responsible for those cases have not been properly dealt with. The party organizations of those units must follow the example of the Shanghai Railway Bureau's CPC Committee. The leading cadres must attach importance to solving those cases and organize people to take charge of the work, concentrate their efforts, go all out to conduct serious examination and investigation. They should strive to achieve a breakthrough within a short period and further purify the organization of the party in order to ensure the success of our reform and economic work. [end written comments]

The CPC Committee of the Shanghai Railway Bureau paid attention to solving major erroneous cases in the phase of party rectification and correcting mistakes; promoted the work of examining and making investigations on the "three types of people"; further purified the organization of the party; and thus ensured successful accomplishment of various tasks of party rectification.

During the period of the "Cultural Revolution," the Shanghai Railway Bureau had two major erroneous cases. One was the persecution of Comrade Liu Ziyi, former deputy head of the Public Security Department of the Shanghai Railway Bureau, which led to his death.

In carrying out party rectification, the Shanghai Railway Bureau grasped major cases, drew inferences about other cases from those cases, totally negated the "Cultural Revolution," eradicated the influence of "left" ideology, and removed obstacles to creating a new situation. It has thus promoted reform, transportation, and other work.

SHANGHAI COMPANY TO PRODUCE ELECTRIC CARS, BOATS

OW130750 Beijing XINHUA in English 0638 GMT 13 Jan 85

[Text] Shanghai, January 13 (XINHUA) -- Storage battery cars and boats for public communication -- now found in only a few countries -- will be put into serial production in Shanghai in June.

On the production list of the Shanghai Trans-World Electric Car and Boat Development Corporation are more than 20 varieties, including mini-cars, cars for the aged and disabled, street cleaning cars and cars for milk delivery as well as pleasure boats. The company, set up yesterday, is the first in China to produce storage battery transport facilities which cause no air pollution and have low noise.

SICHUAN AUTHORITIES INVESTIGATE ENTRAPMENT CASE

HK110739 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 7 Jan 85

[Text] On 18 December last year on its front page, RENMIN RIBAO carried a letter by Liu Zuolun, a specialized household engaged in transport and marketing in Zitong County, reflecting his difficulties in transporting and marketing timber. Following this, the Mianyang Prefectural CPC Committee and Administrative Office immediately organized a working group consisting of persons from the relevant prefectural departments, such as the department for handling letters from the masses, the Industry and Commerce Department, and the Forestry Department, to seriously deal with the case of entrapment of the specialized household, in conjunction with a working group dispatched by the provincial authorities.

Liu Zuolun, a specialized household engaged in transport in (Nongjin) Village of Liya Township in Zitong County, wrote his letter to reveal the following: In July of last year, he bought used timber from Gongdian Township in Jiange County and transported the timber to Wusheng County to sell it. He passed through 11 checkpoints and lost some 1,800 yuan in the deal. The investigation conducted by a working group dispatched by the provincial and prefectural authorities affirmed what he disclosed. As a result of various fees requested by some units in violation of law and discipline, increased charges by other units taking advantage of their power, plus some problems in timber management, Liu Zuolun had to pay some 1,222 yuan for various expenses. This act of putting up obstacles to specialized households violates the normal interests of specialized households.

The Mianyang Prefectural CPC Committee and Administrative Office and relevant counties and cities have decided that the whole 1,222 yuan should be refunded to Liu Zuolun. As Liu Zuolun suffered serious economic losses due to various obstacles placed by relevant units, he still lost 454 yuan and 20 cents even after the refund. The Zitong County Government thus decided to pay Liu Zuolun 500 yuan as compensation.

As the Zitong County Forestry Bureau failed to deal with the case of entrapment of a specialized household by Ziqiang Township, which took advantage of its power and position, the Mianyang Prefectural CPC Committee and Administrative Office ordered the county Forestry Bureau to seriously examine its mistake and apologize to Liu Zuolun.

In the process of dealing with cases of entrapment of specialized households by some units, the Mianyang Prefectural CPC Committee and Administrative Office held repeated discussions and drew lessons in three areas. They also held a meeting in Zitong County at the end of last year, which was attended by responsible persons of all departments of the prefecture and relevant responsible comrades of all counties and cities, to discuss the problem of how to support and protect the lawful rights and interests of specialized households. They decided to spend some time on firmly grasping the problem so that the vast number of party members and cadres can truly establish the idea of serving grassroots units and production. It is necessary to thoroughly investigate and seriously deal with all persons and deeds that encroach upon the interests of the masses in violation of party discipline and administrative discipline so as to protect various specialized households and speed up the development of commodity production.

On 25 December last year, Jiang Zeting, secretary general of the provincial People's Government, and (Zeng Zijun), deputy commissioner of the Mianyang Prefectural Administrative Office, made a special trip to Zitong County to call on Liu Zuolun.

They made an apology to him on behalf of the government and encouraged him to continue to develop the business of transporting farm and sideline products and to make contributions to the development of commodity production. Liu Zuolun was satisfied with this and thanked the government for the concern shown for him.

Station Editorial

HK110741 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 7 Jan 85

[Station short editorial: "It Is Forbidden To Cause Difficulties for Specialized Households"]

[Text] The Mianyang CPC Committee and Administrative Office has seriously dealt with the case of entrapment of Liu Zuolun, a specialized household.

Leaders at all levels must draw a lesson from the case. They must implement the party's policies and line to the letter. At present, some grassroots cadres and units treat specialized households in a wrong way. They envy those who have become rich or even go so far as to publicly extort them, finagle money from them, or seek bribes.

This is mainly due to the failure to thoroughly eliminate leftist ideas. Some people seek private interests by taking advantage of their power. If we fail to take measures to correct these mistakes and wrong ideas and seriously deal with them, the good trend that has just appeared in rural commodity production will be slowed and the party's policy of making people rich cannot be implemented.

We hope that CPC committees and governments at all levels will not treat this phenomena lightly and let it develop unchecked. It is necessary, according to party discipline and administrative discipline, to severely deal with the handful of cadres who blackmail and extort money in an underhanded manner by taking advantage of their power and position, those who cause various difficulties and ask for various fees, and those who rob and steal from specialized households and undermine their production.

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BIRTH CONTROL 'WIDELY ACCEPTED' BY BEIJING RESIDENTS

OWL21119 Beijing XINHUA in English 0708 GMT 12 Jan 85

[Text] Beijing, January 12 (XINHUA) -- Birth control has been widely accepted by Beijing residents, with more than 94 percent of the city's child-bearing age parents involved in family planning in 1984, municipal government adviser Bai Jiefu announced Friday.

Bai told a citywide family planning meeting that the population natural growth rate in Beijing was about 80,000 people a year, with an annual average of 145,000 births and 60,000 deaths since 1979. Some 130,000 babies were born in 1984, 10,000 less than expected.

To hold Beijing population around 10 million by 2000, Bai said further efforts still had to be made to increase the number of families involved in birth control programs. Meanwhile, Bai stressed, measures would be made to raise the quality of the city's population. A number of courses on pre-natal and post-natal care had already been set up for newlyweds and young parents.

Bai said family planning teams would also be sent out during the coming Spring Festival holiday to poll young couples, people who underwent sterilization operations and families who had been penalized or fined for having more than one child, in a bid to help relieve their difficulties.

BU HE SUMS UP NEI MONGGOL REFORM ACHIEVEMENTS

Views 1st-Stage Rectification

SK120518 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 11 Jan 85

[Excerpts] In his speech delivered at the regional work conference on party rectification and discipline inspection, Bu He, deputy secretary of the regional CPC Committee, pointed out: The development of party rectification work done throughout the region in the past year is healthy and the region has basically fulfilled the desired target and provided good experience for the party rectification drive in the next 2 years.

Comrade Bu He stated: In conducting the first-stage party rectification work, the region has scored remarkable achievements in the fields of unifying party members' thinking, enhancing unity, straightening out party style, strengthening discipline, and unifying organizations. It has first made marked progress in unifying party members' thinking and particularly in straightening out the guiding principle of professional work. Major indicators in these fields are as follows:

1. Efforts have been made to further eliminate the influence of leftist ideology and conservative ideas and to earnestly straighten out the guiding ideology of professional work.
2. Efforts have been made to accelerate the pace of conducting reforms and carrying out economic construction and various work.
3. Efforts have been made to further implement the party's policies on nationality, religion, Overseas Chinese affairs, and on personnel who have revolted and crossed over to our side, and particularly to make new progress in implementing the policy on intellectuals, resulting in bringing into play the enthusiasm of various circles.

Second, it has maintained and strengthened unity among various social circles, particularly unity among the various nationalities.

Third, the region has done a great deal of work in blocking malpractices and has brought about an obvious turn for the better in party style.

Fourth, it has highly upgraded the political awareness among the broad masses of party members and has strengthened their sense of organization and discipline.

Fifth, it has made remarkable progress in purifying organizations. By upholding the principles of adopting a resolute attitude and taking a cautious step, various units that have begun the party rectification drive have done a great deal of examination and investigation of cases of three-type elements and of those who have opposed and endangered the party.

In citing the basic experience gained by the units that have been assigned to the first stage of party rectification, Comrade Bu He stated; The most fundamental key to the healthy development of party rectification work of the first-stage units and to fulfilling the desired target lies in upholding the principle of proceeding from the prevailing situation in the region and resolutely implementing the basic tasks, principles, policies, and methods set forth by the decision of the CPC Central Committee on party rectification, as well as implementing the spirit of various circulars issued by the Central Discipline Inspection Commission. Speaking specifically, their experience can be chiefly analyzed as follows:

1. The party rectification drive must focus on economic construction, and efforts should be made to uphold the principle of integrating the drive with economic and professional work in an effort to promote the work of conducting reforms and developing the economy, and to measure the results of economic construction and transformation in testing the drive.
2. Efforts should be made to persistently uphold the basic principles of the party rectification drive and resolutely abandon the leftist measures of the past.
3. The practice of conducting reforms while launching party rectification should run through the drive as a whole.
4. Efforts should be made to uphold the principle of letting leadership take the lead in the drive and to carry out the party rectification drive from top to bottom.

Outlines 2d-Stage Tasks

SK120528 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 11 Jan 85

[Excerpts] In his speech delivered on the afternoon of 11 January at the regional work conference on party rectification and discipline inspection, Bu He, deputy secretary of the regional CPC Committee, stated: In line with the demand set forth by the decision of the CPC Central Committee in regard to party rectification, second-stage party rectification work should be completed in 1985 or 1986. Effective January this year, second stage regional party rectification work should be carried out in an overall manner among league- or city-level organs, among the second-class units under regional-level departments and bureaus, among various banners and countries, and among grassroots level party organizations.

Comrade Bu He stated: Second-stage party rectification work will be successively carried out by the following three groups: The first group contains the party organizations of the party and government leading organs at the league or city level and of the second-class units under the regional-level organs; state-and-region-owned enterprises, establishments, and units; and party organizations of the higher education institutions.

The second group contains banners and counties and the party organizations under the party and government organs of city districts and under the enterprises, establishments, and units owned by leagues, cities, banners, and counties. The third group contains the party organizations of townships, towns, herding villages, neighborhoods, and other grassroots level units.

Following the conference, the first group should begin its party rectification work and complete it before or after the end of June this year. The second group should begin its party rectification work from April to the eve of the National Day. The third group should wait for the upcoming work schedule. The first and second groups should generally experience the phases of studying the documents, conducting comparison and examination, practicing reforms while launching the drive, and of party member registration.

Comrade Bu He stated: The banners and counties of leagues and cities should carry out their party rectification work under the unified leadership of the party committees of leagues, cities, banners, and counties. The second-class under the regional-level organs should carry out their work under the leadership of the party organizations under the departments and bureaus concerned. Units at all levels that have taken up the party rectification work should establish a keen-witted and capable leading body in charge of party rectification. Party committees and groups should assign a principal responsible comrade to concentrate on conducting the work. The office in charge of party rectification under the regional CPC Committee should dispatch liaison groups to the party committees of various leagues and cities, and inspectors to the second-class units under regional-level organs and some larger enterprises, establishments, and units in order to conduct inspection supervision, and guidance over the party rectification work. The office should also conduct guidance on principles and policies and on dealing with major problems. Various leagues and cities also may dispatch liaison groups to their subordinate banners and counties. In conducting the party rectification work, units that are under dual leadership should make their work arrangements and begin with their activities in line with the relationship between them and their leadership. Units in whose leading body exists serious problems of flabbiness and lack of unity should first consolidate themselves by readjusting their leading body and then, launch the party rectification drive.

Comrade Bu He stressed: The second-stage party rectification work should be closely integrated with the current work of conducting reforms among economic systems. Efforts should be made to organize party members to earnestly study the decision of the 3d Plenum of the 12th CPC Central Committee, to realistically straighten out the guiding ideology of professional work, to enable the party rectification drive to promote the work of conducting reforms and developing the economy, and to pay attention to handling new malpractices cropping up under the new situation. Some party members and cadres who have committed new malpractices, such as seeking gains for specific units or themselves or having gotten rich by taking advantage of the weak links cropping up in the drive of conducting reforms and having created difficulties in the transformation, should be strictly investigated and dealt with under effective measures. A good job should be done in continuously conducting education on totally negating the Cultural Revolution. Efforts should be made to strengthen the building of the third echelon of personnel so as to further readjust the leading bodies well at all levels. Through conducting the second-stage party rectification work, we should bring about a great upgrading of ideological and working standards among the broad masses of party members throughout the region, a fundamental turn for the better in party style, and great improvement among leading bodies at all levels and in various work so as to further meet the need of the program of building the four modernizations.

NEI MONGGOL DISMISSES 3-TYPE ELEMENTS FROM PARTY

SK130536 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 12 Jan 85

[Text] According to the news covered by our reporters at the regional work conference on party rectification and discipline inspection, the autonomous region has scored some achievements in eliminating three-category elements along with the party rectification work done in the past year, such as the dismissal from the party of Liu Weiyan who built himself up by relying on rebellion and Zhang Lingui, a hooligan and smash-and-grabber.

Liu Weiyan was a former teacher at the Nei Monggol Teachers College who closely followed the clique of Lin Biao and Jiang Qing to set up a faction by drawing in gangs during the Cultural Revolution in order to seize power by rebelling against the authorities. As a result, he successively occupied several important posts, such as member of the Nei Monggol Regional Revolutionary Committee, director of the cultural and education group under the regional Revolutionary Committee, vice chairman of the Nei Monggol Teachers College Revolutionary Committee, and deputy secretary of the Hohhot City Machine-Building Bureau and deputy director of the bureau. After the beginning of the Cultural Revolution, Liu Weiyan joined factional activities at once and cooperated with some factional leaders in Hohhot City to attack or launch struggle against the leading comrades of the regional CPC Committee. He also joined and plotted the incident of attacking the leading organs of the Nei Monggol Military District, during which a factional declaration was issued on 13 April 1968 at the order of Hao Guangde and himself in regard to slandering the building of the regional CPC Committee as a sinister headquarters and the building of the Cultural Bureau as the forefront of the headquarters.

During the period of criticizing Lin Biao and Confusion, he also cooperated with factional leaders, including Hao Guangde, (Nashun Bayaer), and (Liu Yitang), in forming another faction and issuing a proclamation. They held many meetings on establishing ties with other factions at which they made all-out efforts to publicize the reactionary ideas of Jiang Qing's counterrevolutionary clique, to [words indistinct], to instigate the masses to direct their spearhead at the regional CPC Committee, and to bring pressure on the regional CPC Committee in order to force the leading comrades of the regional CPC Committee to agree to their factional ideas. Liu Weiyan also directly joined and plotted the incident of forcing the leading comrades of the region to hold the 10,000-people rally criticizing Lin Biao and Confusion and personally revised the manuscripts of speeches provided by some leaders in order to instigate them to carry out denunciation at the rally. He also incited some personnel to go to Beijing Municipality to bring lawsuits against others and publicized and distributed leaflets on views running counter to and endangering the party in order to disturb the situation and create disorder.

Due to his serious crimes which accrued in building himself up by relying on rebellion and doing many bad deeds, the Hohhot City CPC Committee and the party committee of the city machine-building company decided to dismiss him from all posts inside or outside the party and from the party.

Zhang Lingui, a hooligan and smash-and-grabber, was a cadre at the regional Postal Telecommunications Bureau. Early in the Cultural Revolution, he actively engaged in rebellion and was prominent in following factionalism in order to occupy the posts of member of the Postal Telecommunications Bureau Revolutionary Committee and leader of the new party leading group. During the period of exposing and criticizing the Nei Monggol People's Revolutionary Party, he vigorously extorted confessions from the two deputy directors of the bureau, section-level cadres, and the two ordinary cadres by personally beating them with various instruments of torture, resulting in three comrades being seriously injured or disabled.

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During the period of criticizing Lin Biao and Confucius, he also actively organized or joined factional activities, and schemed to incite some persons to conduct sit-in protests at the Jingcheng Guesthouse in Hohhot City in order to attack the leading comrades of the regional CPC Committee. He also took part in drafting a letter of appeal to the people throughout the city. In waging struggle against the so-called right-deviationist reverse-verdict practices, he again engaged in the activity of establishing ties with other factions in order to incite some persons to put big-character posters on the buildings of the regional and Hohhot City CPC Committees to defend their factional ideas. He also caused trouble at the city public security bureau. After the smashing of the gang of four, Zhang Lingui also set up an offensive and defensive alliance with his followers, in which they refused to write confessions, confessed to as little as possible, and attempted to survive the ordeal by acting against the authorities. During the period of conducting examination and investigations, he refused to earnestly present his mistakes.

The party organization of the Postal Telecommunications Bureau recently decided to dismiss him from the party.

Station Commentary

SK140313 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 12 Jan 85

[Station commentary: "The Work of Eliminating the Three Types of Persons Should Be Grasped Firmly and Successfully"]

[Text] Expelling Liu Weiyuan and Zhang Lingui from the party has won great support from the people. Since party rectification was carried out, the work of eliminating the three types of persons has made significant progress. Party organizations at various levels throughout the region have done a great amount of painstaking work to check the three types of persons. Most organizations have clarified or basically clarified the actual conditions of the three types of persons, and have ferreted out some deeply hidden three types of persons. In particular, they have taken resolute and stern measures to handle those who still cling to the reactionary stand and continue to make trouble. The work to check the three types of persons is developing in a healthy and thorough manner across the region.

The three types of persons are an ambitious political force. Although small in number, they have enormous capacity to move. Most of them are comparatively young and better educated, have a glib tongue, and are good at currying favor with somebody in authority for personal gain and disguising themselves to mislead others. They [words indistinct] sneaked into leading bodies, stirred up trouble whenever there were opportunities, and continued to engage in the bad deeds endangering the party, the state, and the people. Party organizations at various levels should have a clear understanding of the danger and harmfulness of these people, and should never take them lightly. Since the smashing of the gang of four, particularly since the 3d Plenary Session of the 11th CPC Central Committee, a group of three types of persons have been investigated and handled through the exposure-criticism-investigation campaign, implementation of policies, and the current checking work. Although the number is very small, the three types of persons indeed still exist. Viewing from the overall situation of the whole region, the work to check the three types of persons is not proceeding evenly. In some units, the work has progressed slowly due to ineffective leadership or the interference of factionalism. These units should strengthen leadership over the work. Through the education in thoroughly negating the Cultural Revolution, they should further eliminate factionalism, enhance party spirit, and correct their attitude. They should have the spirit of being responsible to the party and the people, overcome all difficulties and obstacles, and carry out this work resolutely and successfully.

The most important thing in carrying out the work to eliminate the three types of persons is to correctly understand and implement the principles and policies of the central authorities on the checking work.

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They are to be both resolute and prudent, to refrain from both letting them escape and exaggerating the scope of the work, and to strictly distinguish the three types of persons from the persons who committed serious mistakes during the Cultural Revolution. The major point of the checking work is to eliminate the three types of persons in leading bodies and key departments. We should, in particular, eliminate those who persistently followed Lin Biao and the gang of four to rebel, seize power, and conduct bad deeds and caused serious consequences, who are comparatively young at present, who have remained hidden, and who are a great danger to the party. We should also eliminate those who control from behind the scenes. We should never allow the three types of persons to enter the third echelon. We should take resolute and stern measures to handle the three types of persons who still cling to the reactionary stand and continue to conduct bad deeds.

In the current checking work, we should further strengthen organizational leadership, put more effort in to investigating and verifying facts and, in line with party's policies, decide on the appropriate action in a prudent manner.

HEILONGJIANG PLANS 2D STAGE OF PARTY REFORM WORK

SK120953 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 11 Jan 85

[Text] The office of the provincial Commission for Guiding Party Rectification held a conference on conducting second-stage party rectification work throughout the province. The conference, which lasted for 4 days, concluded on 11 January. The conference urged various localities to strengthen leadership and to carefully organize their party members in order to fulfill the second-stage tasks of party rectification with high standards and quality.

The conference relayed and implemented the spirit of the forum sponsored by the Central Commission for Guiding Party Rectification regarding second-stage party rectification work.

Wang Fei, Standing Committee member of the provincial CPC Committee, director of the provincial Organization Department, and vice chairman of the provincial Commission for Guiding Party Rectification, attended the conference and delivered a speech in which he stated: Since November 1984, our province has been carrying out second-stage party rectification work among the first groups of units. Success in second-stage work has a vital bearing on ensuring an overall victory in the party rectification and transformation drive launched in the new historic period. The volume of second-stage work is great, involving a wide range of units. The majority of these units are assuming the heavy, nearly daily workload and have experienced many new problems in the new situation of conducting reforms, making their tasks in this regard quite arduous. What is noteworthy at present is that a considerable number of party-member cadres, particularly leading cadres, still lack sufficient understanding of the importance, arduousness, and complexity associated with the second-stage party rectification work. Thus, they have relaxed their efforts to grasp the work, done their work perfunctorily, scored a low standard in work, or been ineffective in their leadership of the work. Therefore, the party committees of various prefectures and cities should set themselves as examples in fostering the firm thinking of setting up strict demands and achieving high standards in conducting rectification work. From the beginning of the work, they should firmly grasp the work and ensure its quality in order to do a good job in effectively carrying out second-stage work in a down-to-earth manner.

Comrade Wang Fei stressed: In conducting second-stage work, we should proceed from our own actual situation, in order to define the problems that should be dealt with in the party rectification drive and to work out methods and steps for dealing with these problems. By no means should we entirely copy the measures enforced in first-stage work. Units that have been assigned to the second stage of party rectification must closely integrate their work with the drive of conducting reforms. The integration of party rectification with transformation is aimed chiefly at establishing a favorable ideological and organizational foundation for transformation through conducting party rectification. Therefore, we must stress that whether or not we have enabled the party rectification drive to advance the economy, transformation and work should be regarded as a comprehensive yardstick in measuring our success or failure in waging the party rectification drive.

Comrade Wang Fei stated: Judging from the practice of first-stage work and pilot work in this regard, the key to whether or not we can achieve good or great results in conducting party rectification work lies in leadership. Therefore, in conducting second-stage work, party committees of various prefectures and cities must, from the beginning, strengthen their collective and spiritual leadership over the work in order to ensure the fulfillment of second-stage tasks with high standards and quality.

PRC PLANES AT SRV BORDER REPORTED INCREASED

HK140502 Hong Kong Commerical Radio in English 0430 GMT 14 Jan 85

[Text] China has increased the number of its fighter planes near the border with Vietnam to 1,000 from 600. A Japanese newspaper says the planes include MIG-21s, the mainstay of the Chinese fighter force. A major reason for the new deployment is believed to be an increase in Soviet air strength in Vietnam since 1978 when Moscow and Hanoi concluded a friendship and cooperation treaty. The paper adds another possible reason is to discourage Vietnam's dry season offensive against rebels in Kampuchea.

MING PAO CITES CPC DOCUMENT ON RURAL REFORM

HK120552 Hong Kong MING PAO in Chinese 12 Jan 85 p 5

["Special Dispatch": "CPC Central Committee Document No 1 Discloses New Moves in Rural Reforms, 10 Major Policies, 3 Changes"]

[Text] Beijing, 11 Jan -- CPC Central Committee Document No 1 of 1985 announces 10 major policies aimed at realizing three complete changes in agriculture. These three changes are:

1. Production is carried out according to market demands rather than being guided by state plans. In other words, the policy of planned purchases and marketing by the state is abolished, and the present product economy will be changed into a commodity economy.
2. The present system of the state planning management which relies on the administrative leadership will be changed into a management system which mainly relies on economic means.
3. The present production structure of agriculture, industry, and trade in the coastal areas will be changed into a production structure characterized by the development of the agricultural products processing industry in accordance with the needs of export trade. Large-scale agriculture will also be developed in accordance with the needs of the processing industry.

In this "red letter-head document," the CPC announces 10 major policies in the interest of further reforming the agricultural economic structure, and opening a way for the reform of the urban economic structure. These 10 major policies are:

1. Abolish planned quotas set by the state for the purchase of agricultural products and implement a system of ordering goods based on contracts and of market purchases. This is the most important change in the system of planned purchases and marketing by the state with regard to agricultural products such as grain, cotton, edible oil, and so forth implemented over the past 30 years or so. This enables peasants to sell some of their grain, cotton, edible oil, and so on, and all of their live pigs, aquatic products, vegetables, timber, medicinal materials, and so on, on the free market. The prices of these products will be set according to their quality.
2. Readjust the rural industrial structure and develop various kinds of diversified economy with emphasis on expanding the agricultural products processing industry.
3. Further relax the policy for mountain and forest regions. Mountain products such as timber, medicinal herbs, and so forth, lumbered and gathered by the collectives and individuals, can be sold on the free market at negotiable prices.
4. Vigorously develop the communications industry. Funds are to be raised from society in order to build highways. Those who build the highways will obtain benefits from this undertaking.

Provinces and cities are allowed to issue bonds in order to build highways and open up navigation channels. They may also jointly run marine transportation teams. Vehicles and ships of state-run enterprises, which are idle, can be rented on a contract basis or sold to individuals who run communications industry.

5. Preferential treatment will be provided for enterprises run by towns and townships in terms of credits and taxes. Those newly operated enterprises run by towns and townships may be exempted from income taxes regularly. Peasants are allowed to extract mineral products.

6. Encourage the flow of talented people and technology into rural areas. When urban scientific and technical personnel are employed by rural areas, they are allowed to retain their posts in their former units with their wages suspended. Scientific and technical personnel are allowed to provide services for rural areas during their spare-time and receive remuneration according to contracts. However, personnel of state organs are not allowed to do so. Scientific research units, universities, colleges, and enterprises are allowed to carry out research projects assigned by rural areas. They are also allowed to transfer their achievements in scientific research and set up integrated bodies of scientific research and production. The collectives and individuals are encouraged to run secondary and primary schools.

7. Relax financial policy for the rural areas. The interest obtained by peasants from their bank deposits will be close to market interest rates.

8. The contract system according to output and the production system based on individual peasant households will remain unchanged for a long time. Measures will be taken to encourage a cooperative economy characterized by partnership management and sharing bonuses according to capital stocks. Peasants are allowed to reject additional apportioning of payment or work.

9. Provide more guidance in order to speed up construction in small towns and townships. Peasants are allowed to run shops and service trades, and set up agencies to supply labor in towns and townships.

10. In the Zhu Jiang delta, Chang Jiang delta, Shandong Peninsula, Liaoding Peninsula, and other coastal areas, a production structure combining trade, industry, and agriculture with emphasis on the development of the export processing industry will be gradually established. They should also support the development of the vast areas in the western part of China.

MING PAO REPORTS ON PLA TRAINING REFORMS

HK110752 Hong Kong MING PAO in Chinese 11 Jan 85 p 5

["Special Dispatch From Beijing": "PLA Reforms Its Training To Meet the Needs of Modern Warfare"]

[Text] The PLA will speed up its reform in training and strive for a breakthrough this year. In a directive issued last year, Deng Xiaoping, chairman of the CPC Central Committee Military Commission, pointed out: "All the commanders and fighters of the Chinese PLA must maintain vigilance all the time, constantly enhance their military and political quality, and try their best to acquire knowledge and ability to keep up with the needs of modern warfare."

To carry out this directive, the departments concerned held an Army-wide forum on education and training. The forum emphasized that it is necessary to make breakthroughs in some key aspects and be efficiency oriented, pointing out that one can no longer catch up with the times "running with half steps," nor can small-scale reform solve fundamental problems.

The Army-wide training reform will center around three key links, namely, reforming the contents, system, and means of training. They are taken as the major aspects in which breakthroughs are to be made.

Among these three key links, the reform of the contents of the training is considered the core and the most important aspect because it is an essential indicator of the degree of an Army's adaptability to modern warfare. The reform of the contents of training is the reform of its very intrinsic quality. Without reform of the contents of training, the whole training reform would become a mere formality. Therefore, the whole Army is required to stick to the reform of the contents of the training as the core, follow the principle of getting rid of outmoded contents and adding new ones, set up various training programs and fix the proportion between different programs according to the actual circumstances in the Army, and develop new tactics for fighting a battle with inferior equipment against superior equipment.

The reform of the training system is the second key link. The new technological reform which is now in full swing will certainly spread to the military field and bring about more and more rapid growth of combat strength. Modern warfare requires the Army to focus on integrated campaign tactical training as a means to upgrade the combined action capability of the different arms of the services. However, the present PLA training system is defective in setting equal requirements on veterans and new men and integrating training of veterans and new men together. As a result, the training program has become a mere repetition of lower level training and a stumbling block to the implementation of advanced training guidelines. For this reason, the whole Army is required to boldly blaze new trails and make a breakthrough in the reform of the training system to shorten the training cycle, enhance the starting level of Army training, accelerate the growth of combat strength, and open up a new road of training development.

Meanwhile, the reform of the means of training is also an indispensable part of military training because the quality of the means of training reflects to a certain extent the degree of modernization of military training. The PLA lags behind in this field at the moment and this has seriously affected the development of campaign tactical training. But the PLA has made considerable progress in the past few years and has attained the world advanced levels in some branches. Therefore, the whole Army is required to tap all potentials at both the higher and grassroots levels, make use of all possible financial resources, make investments in some key fields, and develop various simulated training equipment, thus enhancing the modernization level of the means of military training.

The departments concerned have pointed out that strengthening leadership is the key to any breakthrough in the reform of training. However, so far leftist influence has not yet been completely eliminated, old concepts and force of habit still exist, and some high-ranking officers lack courage and take a passive attitude toward reform. This is the number one problem which has yet to be solved for the moment.

REPORT ON FIRST PRC INDEPENDENT REGIONAL AIRLINE

HK110513 Hong Kong SOUTH CHINA MORNING POST in English 11 Jan 85 Business Supplement p 3

[By Robert Mayerson]

[Text] China has entered a new aviation era with the inaugural flight of its first independent regional airline -- Xiamen Aviation. The Fujian-based carrier took to the skies on Saturday with a two-way Canton Xiamen-Peking flight, the airline's vice-president, Mr Xiang Zhen, told Business News by telephone from Xiamen yesterday. The flight represented the launch of regular weekly service on the route, he added.

Mr Xiang said a second weekly service linking Xiamen with Canton and Shanghai completes the airline's initial schedule. The fledgling carrier is operating a Boeing 737 airliner leased from China's national airline, Civil Aviation Administration of China (CAAC), on a two-day-a-week basis. But Mr Xiang said negotiations for the purchase of aircraft from CAAC are under way.

He reported no progress in Xiamen Aviation's plans to serve Hong Kong, which he said depends on future discussions between Chinese and British officials. The possibility of a cooperation or investment agreement with a foreign airline still exists, he added, although talks have been suspended while approval in principle is being sought from Peking.

Mr Xiang confirmed that Xiamen Aviation had held discussions in April with the chairman of Hawaii-based Aloha Airlines, Mr Ching Hung-wu, but he said no further progress had been made. He stressed that Mr Ching was involved in his capacity as a private investor rather than as chairman of Aloha. Xiamen Aviation officials have also discussed co-operation possibilities with Japan Air Lines and Philippine Airlines in recent months. Aloha's participation in any joint venture seems less likely now that it has abandoned its only long-haul route to Guam and Taipei after only eight months of service and returned to its long-term business of ferrying tourists among Hawaiian Island resorts.

Officials of Xiamen Aviation have pinpointed Manila and Tokyo as the airline's most likely initial international destinations. The links are intended to bring more overseas investors to Xiamen, especially from Southeast Asia with which Fujian Province has strong traditional ties.

TA KUNG PAO ON PRC OPENING COASTAL REGIONS

HK101402 Hong Kong TA KUNG PAO in Chinese 10 Jan 85 p 2

["Political Talk" column by Shih Chun-yu: "The Entire Coastal Region Will Be Opened Up to the World"]

[Text] Yesterday, in an interview with a Thai journalists' delegation, Gu Mu, state councillor in charge of the affairs of the 14 cities and the special economic zones, said that China's next action is to open up the entire coastal region to the world. This clearly shows that China's path of opening to the outside world is becoming wider and wider. It will not, and cannot, be changed.

In as little time as more than half a year from the opening of the 14 cities in April to the end of last year, these cities obtained a sum of foreign investment much higher than the total of the previous 5 years. This shows that foreign capital has confidence in China's stable political situation and is greatly interested in the Chinese market. The wider China opens its door, the more it is welcomed.

The opening of the 14 coastal cities, 4 special economic zones, and Hainan Island is just like opening 19 important windows, or actually, opening the gate of the entire coastal region. Along more than 10,000 km of coastline, these 14 cities, including Dalian and Qinhuangdao in the north, Guangdong's Zhanjiang and Guangxi's Beihai in the south, and Hainan Island, which is near the ASEAN countries, extend from northeast, north, east, to southeast China. Most of them were originally ports having certain economic relations with the outside world. Through these cities, not only will foreign economy, culture, science, technology, and art gradually penetrate into the interior parts of China, but so will China's export of many commodities, native products, and resources be promoted. This large-scale exchange will have a immeasurable influence on opening up China and changing the face of its interior.

The Meiji Restoration in Japan started in 1868, after which Western civilization and science were introduced into Japan and the period of feudalism, closing Japan to the world, and separatist military regimes was ended. It had an important bearing on Japan's later development.

China's overall opening today, when the world's technical revolution has entered a new and important stage, will inevitably greatly promote the development of this country in the future.

For example, more than 20 companies from the United States, Japan, Sweden, Finland, West Germany, Italy, Yugoslavia, and Hong Kong joined in the bidding yesterday for the construction of the Lubuge hydropower station, which is located at the juncture of Yunnan and Guizhou, southwestern provinces in China. The power station is to be built with a total investment of about \$21 million and to be completed by 1989. The funds for this construction include loans provided by the World Bank to China. It may be appropriate to say that China's opening today has the advantages in time, geographical position, and support of the people.

As a matter of fact, China has already opened up most parts of the country to the world, from the coastal region to the interior, from remote areas to northeast and northwest China, even in Hainan, and all kinds of trade talks have been held. As another example, foreign capital and technical cooperation are also welcome in the construction of the Sanxia hydropower key project, the largest in the world, which will be started very soon. This construction project will require some tens of billions of dollars.

The great changes in China predicted by Deng Xiaoping will not take place in this century, but will take place in the middle of the next. When the time comes, the standard of living of the Chinese people will be as high as that of the developed Western countries. This is a contribution of the policy of opening up to the world.

The development of civilization and science and technology in a country depends on the cultural and educational level of the people of this country. Today, China is endeavoring in a thousand and one ways to develop education. Under the influence of the policy of opening up to the world, it is exchanging students and experts with many countries. Thus, it can be expected that remarkable achievements will be made in 20 to 30 years.

At any rate, the policy of opening up to the world is the only way for China to promote its four modernizations drive. The importance of this policy is becoming increasingly clear.

WEN WEI PO ON ESTABLISHING ZHU JIANG DELTA ZONE

HK091040 Hong Kong WEN WEI PO in Chinese 8 Jan 85 p 2

[Editorial: "Zhu Jiang Delta To Set Up Open Zone"]

[Text] Guangdong Governor Liang Lingguang disclosed that Guangdong Province will establish the Zhu Jiang Delta open economic zone consisting of the six cities of Guangzhou, Shenzhen, Zhuhai, Foshan, Jiangmen, and Zhongshan and the 10 counties of Panyu, Zhengcheng, Nanhai, Shunde, Xinhui, Keiping, Taishan, Dongguan, Gaolan, and Doumen, which will be gradually expanded to Huizhou City, Zhaoqing City, and 14 surrounding counties. Between April and May this year Guangdong Province will sponsor an investment symposium in Hong Kong to further introduce foreign capital.

Setting up the Zhu Jiang Delta open economic zone is the third step of the CPC Central Committee's strategic plan of opening to the outside world. Along with the setting up of the Zhu Jiang Delta economic zone, the Chang Jiang Delta, the Jiaodong Peninsula, and the Liaodong Peninsula will also be opened to the outside world.

According to the idea of the CPC Central Committee, the coastal areas, which have a population of 200 million, will play a leading role in the country's economic activities.

China has worked out a long-term plan for the next century. The four modernizations drive is divided into two steps. By the end of this century, China will quadruple its industrial and agricultural production; in a fairly long period of time after this, it will strive to catch up with the Western countries. Both in the first and second steps, China will implement the open-door policy. Otherwise, it will not be able to advance the four modernizations drive.

It is necessary to pay attention to results in opening to the outside world, and reforms should be carried out in an orderly way. Special economic zones, coastal cities, and open coastal areas are playing a pioneering role in opening to the outside world and carrying out reforms. Opening to the outside world will gradually proceed from the coastal areas to the hinterland in a rolling manner.

The hinterland is the economic and material origin of the coastal areas. The hinterland constantly provides raw materials and initial products for the coastal areas, which will manufacture raw materials into products by using advanced technology, export the products, obtain income from foreign exchange, and buy more advanced technology by using foreign exchange. The coastal areas will also sell their "commodities" to the hinterland to improve the supply for the hinterland market. In addition, the coastal areas will introduce to the hinterland the industrial technology and managerial methods which they have digested and innovated.

The pivotal role of the coastal areas will form an efficient circulation in China's economy.

As the Zhu Jiang Delta borders on Hong Kong and Macao, it enjoys exceptional advantages in transportation, marketing, introducing technology, and employing talented persons. Based on this tentative idea, the areas on both banks along the Zhu Jiang from Guangzhou to Shenzhen will be developed in the mode of the world's advanced cities, such as Los Angeles, where chimneys stand like trees in a forest, satellite cities spread all over like stars in the sky, and the division of work is based on cooperation. Externally the zone will export its commodities to the five continents through Hong Kong; internally it will sell foreign equipment and the products of the Zhu Jiang Delta to Guangxi, Yunnan, Hunan, Hubei, Jiangxi, and southern China, a huge market with almost 200 million people.

Hong Kong will profit much from this economic structure. Business will increase by a large margin in its financial circles and reexport trade. In the meantime, the Zhu Jiang Delta will experience an economic takeoff and become China's most prosperous region.

Hong Kong should take better advantage of this huge economic development trend and make an early start.

It can be expected that Hong Kong will expand its shipping port, railway transportation, and warehouses; that it will speed up the escalation of its industrial technology to become the "window" of the Zhu Jiang Delta; that it will train more senior professionals to prepare a technology export market and capital market for its strategic exploitation of southern China; and that it will more actively carry out trade with the United States and Japan, absorb more U.S. and Japanese capital, build more companies, and strengthen its pivotal role in trade. If all this is done well, it is definitely possible for Hong Kong to create economic miracles in the early 1990's.

BURROUGHS SIGNS CONTRACT WITH PRC ENTERPRISES

HK100437 Hong Kong HONG KONG STANDARD in English 10 Jan 85 Business Standard p 2

[Text] Burroughs Corporation has signed a contract with three agencies in China for the assembly, distribution and maintenance of small business computers. The value of the contract is more than U.S. \$20 million. The contract was signed in Kunming, capital city of Yunnan Province, by representatives of Burroughs, the Provincial Import-Export Corporation, the Yunnan Electronic Equipment Factory (YEEF) and the Beijing Ever Bright Industrial Corporation.

The contract calls for the distribution of Burroughs B20 microcomputers, the assembly and distribution of Burroughs B25 microcomputers, and maintenance of both systems by YEEF. The programme will begin as soon as both governments confirm their approval, including the authorisation of the necessary U.S. export licences.

YEEF will utilise an existing factory in Kunming for assembly operations. Appropriate training will be given in both the United States and China.

Burroughs, which has operated an office in Beijing for nearly five years, has installed many small, medium and large computer systems in major Chinese agencies and enterprises.

The new contract was anticipated by letters of intent signed last year in China by Mr W. Michael Blumenthal, chairman and chief executive officer of Burroughs, and by Mr Robert Holmes, senior vice president and president of Burroughs Worldwide Marketing Organization.

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